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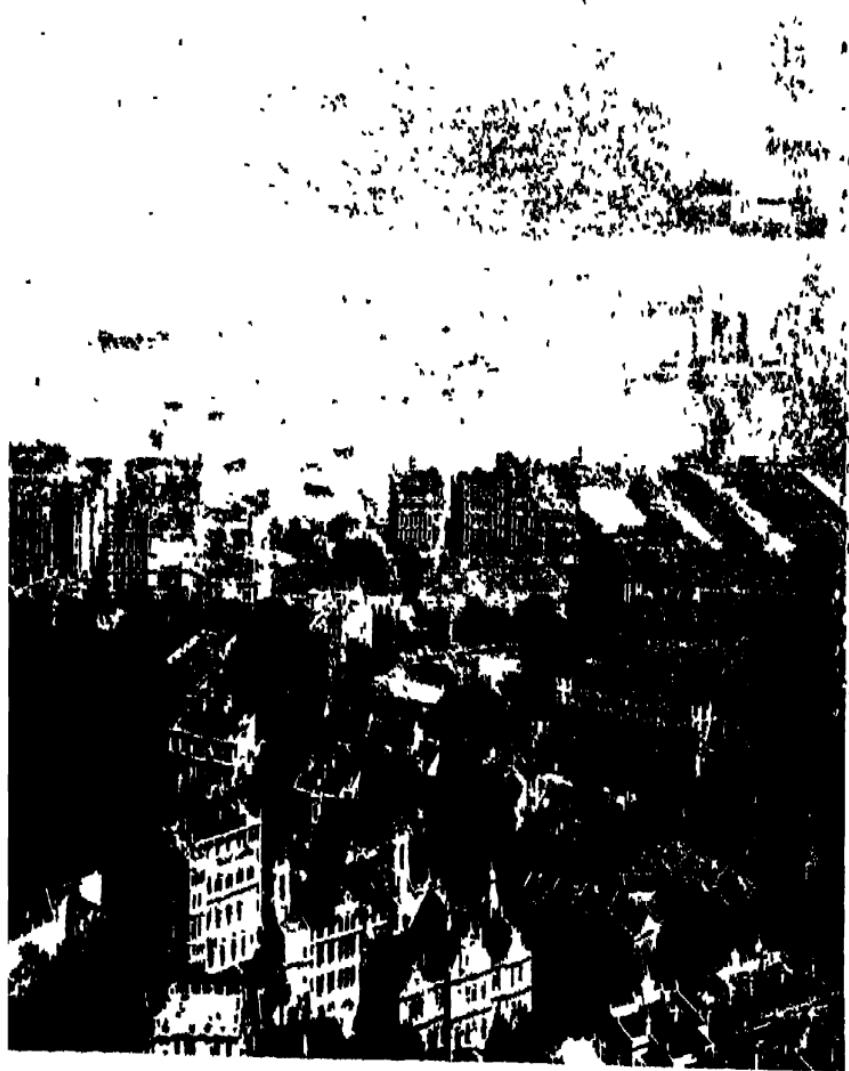
WHY CHINA SEES RED

LIST OF WORKS BY THE AUTHOR:

- INDISCREET LETTERS FROM PEKING
MANCHU AND MUSCOVITE
THE RE-SHAPING OF THE FAR EAST
THE TRUCE IN THE EAST (2 VOL.)
THE COMING STRUGGLE IN EASTERN ASIA
THE CONFLICT OF COLOUR
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WHY CHINA SEES RED
THE FORBIDDEN BOUNDARY
THE HUMAN COBWEB
THE UNKNOWN GOD
THE ROMANCE OF A FEW DAYS
THE REVOLT
THE ETERNAL PRIESTESS
THE ALTAR FIRE
WANG THE NINTH



The great
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city which has arisen in Hongkong as a result of the unparalleled development in the past eighty-three years since its cession to the British crown.

WHY CHINA
SEES RED

BY

PUTNAM WEALE

(*B. L. W. A. Agent*)



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PREFACE

This monograph on the peculiar trials faced in China in 1925 has been written at Shanhai-kwan under the shadow of the Great Wall, where it runs into the sea after coiling its way across the mountains like a giant serpent more powerful than the teeming millions who constructed it. Napoleon declared to his soldiers as they stood under the Pyramids of Egypt that forty centuries looked down upon them. While the antiquity of the great barrier of brick and stone that runs 1500 miles into Asia until it is lost in desert Cathay is less remote, for 2000 years it has been a magnet for the ambitions of neighbouring peoples and commanders and typified the Chinese struggle for power. Its approaches are crowned by defence works and signal towers which are the only monuments still standing to the memory of forgotten dynasties: while in the vicinity of the gate-way near the sea, which is so grandiloquently named the First Gate in the World,

PREFACE

the earth is still scarred by the modern trench system dug by the contending hosts of Wu Pei-fu and Chang Tso-lin in 1924.

It is in its vicinity that Chinese history can fitly be written.

Shanhaikwan

September, 1925.

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WHY CHINA SEES RED

CHAPTER I

THE FOUR CORNERS OF THE PROBLEM

§ 1

I find it very difficult to put in a reasonable and enlightening form the strange condition which has arisen in China. While a mere recital of events is an easy and mechanical task, to show the working of each particular element, to find what really lies behind it, and to combine it all without prejudice into a complete synthesis, is a very different matter. All the world knows that something has taken place in China which has raised a great storm of passion and made it a matter of perplexity for the best political minds to know how to restore calm. But beyond this generality, the specific causes are disputed even by those on the spot, although their correct valuation and honest treatment can alone bring appeasement.

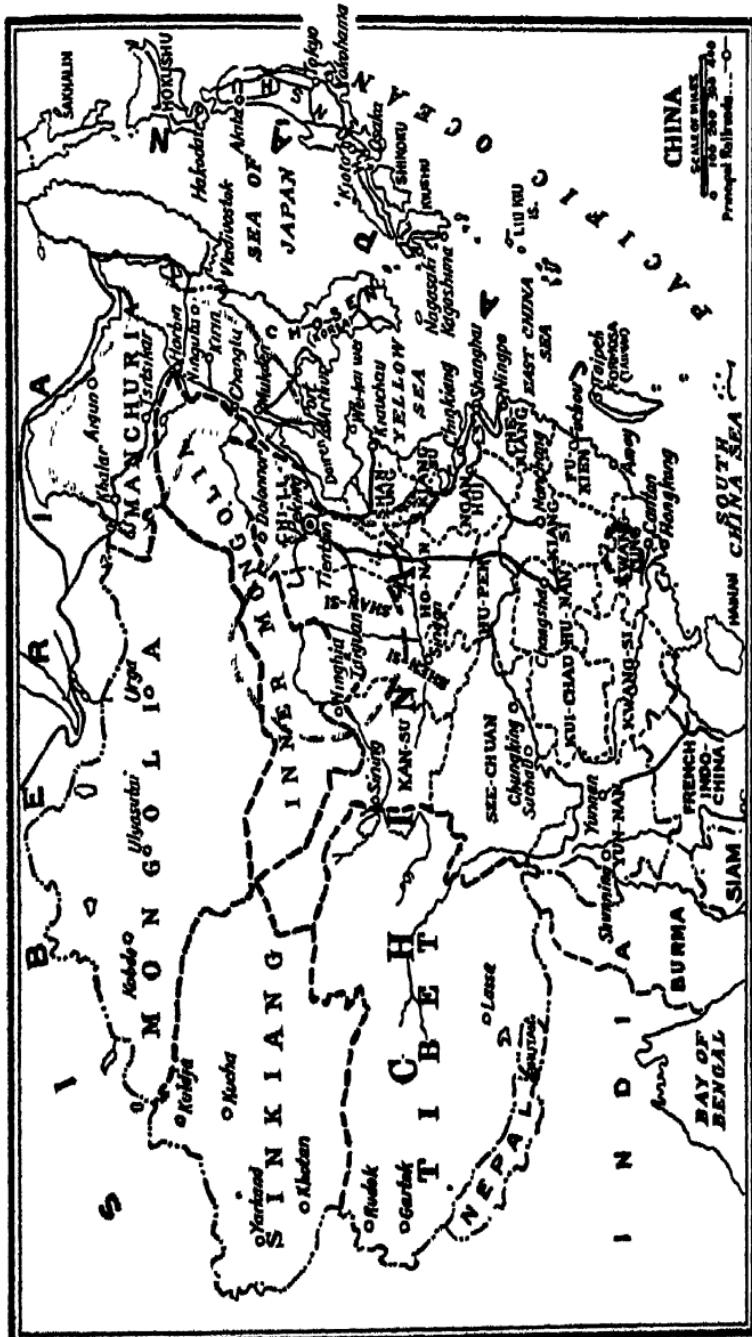
In broad terms the history of China during

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a hundred years has been the history of the assault of a mechanically more perfect civilization on an age-old civilization which has drawn its strength and permanence from an agricultural-pastoral origin. A hundred years ago much the same perplexity which exists to-day had overcome those few foreign nations which had established some kind of contact with China. The pioneers of the early factory days, having gradually built up at Canton a very profitable trade which they were constantly seeking to enlarge, knew that the hour of trial might come with any dawn: for while it is commonly written that England's opium traffic and domineering ways were the most remarkable features of a contact which soon resulted in war, these were only the surface things. The main issue was the conflict between two types—one the Chinese, vague, hesitant, and so philosophic that nothing final exists for it except the immutability of the Chinese state; the other precise, dogmatic and constantly stiffening under opposition. The Chinese, guided by instinct and intuition, very early in the nineteenth century came to the

(over)

Political Map of China



EXPLANATORY NOTE

Map of China showing the political position in which the country was placed (facilitating the anti-foreign outbreak of 1925):

- (a) By the *coup d'état* of the Christian General of October 23, 1924, the collapse of Wu Pei-fu and the imprisonment of ex-President Tsao Kun.
- (b) By the advance of Chang Tso-lin's forces down the coastal region as far as the Yangtze River and Shanghai.

All the country east of the red line is in the hands of the Manchurian war-lord.

All the country included in the red circle is in the hands of the Christian General and his Allies, the so-called Citizens' Armies.

While the position is temporarily stabilized it is at best only a truce.

Outside of Chang Tso-lin's East domain and Feng Yu-hsiang's North-Western circle of influence the position is obscure and shifting except in Canton where pseudo-communism is temporarily triumphant.

A Citizens' Conference is to sit to decide how the country is to be re-constituted last steps in this direction have been constantly postponed.

conclusion that foreign intercourse was fated to become an ungovernable element unless the sternest measures restricted it and made its continued existence depend on absolute obedience to the decrees of the Emperors. As far as a *casus belli* was concerned, the opium traffic might just as well have been the trade in cottons or kerosene.

The merchants and the masters of the old sailing-ship fleets, although nothing more than ordinary men, knew that this challenge was constantly in the air and that sooner or later it would have to be fought to a finish. But rapid fortune-making, and the tremendous possibilities of a market that had barely been tapped and that seemed to be without any limits at all, so engaged them that only when they were actually forced to it, did they cease from searching for compromises to avert the fated conflict. On the China coast, as in India and on the African coast, the reign of the merchant-adventurer incorporated in companies such as the East India Company or acting quasi-piratically alone, was just being replaced by a direct governmental responsibility.

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The end of the monopoly of the East India Company in 1834 in China was soon followed by two things—glowing foreign opposition to the Chinese regional monopoly instituted at Canton and the appointment of foreign official Trade Representatives who soon admitted that if there was to be no retreat there must be an advance since they could not in justice to themselves allow that their will be subordinate to the will of the Chinese Emperors.

The war of 1839–42 automatically followed after a series of experiences more harrowing to British trade and shipping than those passed through in 1925. The first treaty was, from the Chinese point of view, simply an admission that they had not disposed of the material force to keep at arm's length an alien race possessed of unbelievable striking power. Although the Treaty of Nanking is to-day 83 years old, it is just as fresh and pertinent, and its interrogations just as unanswered, as they were when it was written on board the old line-of-battleship *Cornwallis* lying off the great uninjured City of Nanking, on the Yangtze River—a city about to be overwhelmed and ruined

beyond repair by the native Taiping rebellion. All the clauses of this document speak of the conflict between two wills, two types of civilization. Every article casts, as it were, before it the shadow of other conflicts, and declares nothing more than that truant China, which has always absorbed or crushed into the common mould every alien thing that has come to her by land, recognizes the sea as her Nemesis. The contact along her coasts being now legalized, it was thereby rendered infinitely more puissant than the ingenuity of her defence since it was constantly reinforced almost overnight and had about it the element of perpetual surprise.

Eighty years ago money could be as easily made in China as in the days of the California gold rush; and now that no less than five legal trading-points had been established, one at the mouth of the great Yangtze River, the most exaggerated prophesies seemed about to be realized. But while the Sovereign power had had publicly to yield ground, not so the people who, though willing and eager to trade, were politically sullen. The rocky island of Hong-

kong might have become by 1842 a British Colony, where sailing ships could be careened at will and the women and children left to swelter in peace; but Canton, which had burnt 20,000 chests of opium by Imperial command, had not surrendered and stood as the embodiment of the other will. Negotiation followed negotiation, each vain document merely adding another footnote to a discussion which could have no end. Before the 'sixties another war burst out. This time, determined to finish with it, England now joined with France because of the friendship with Napoleon III in European politics, occupied Canton City in 1857 and then turned 1500 miles up the coast to deal directly with the capital.

The history of 1858 is the history of three powers, each exhibiting quite distinct characteristics, which have been faithfully preserved through the intervening generations, taking hold of China by the arms and neck and pressing her in a dangerous grip; for while the armed force was limited to the soldiers and sailors of the British and French, an American plenipotentiary on an American

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ship took advantage of this opportunity and shared in the discussions which now commenced in Tientsin.¹ It is well to note at once that the policy of the United States had been given its distinctive hall-mark. In the very first treaty negotiated fourteen years before, in the wake of the British Treaty, the Treaty of Wanghia. That character was eminently pacific, and aimed at a sweet reasonableness in everything, a policy which it was argued could be a fit substitute for the arguments of force; although paradoxically it was due to the force of others that any negotiation was possible.

And just then the issue was great. It had been determined after careful discussion and much practical experience at Canton and Shanghai, that it was necessary to go to the fountain of all honour to win abiding results. The Emperors of China must be made to understand that it was no longer a question of trade concessions but of the majesty of foreign states. The main purpose of the landing at the nearest point to the capital was to establish relations with the Manchu Court and to decline to tolerate any longer the old system of

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dealing through subordinates, who even if they were viceroys made it appear that the representatives of great nations were willing to be treated as vassals.

The finished treaties of 1858 throw a flood of light on this single question of direct representation of the powers in the capital. The American Treaty, which was signed eight days before the British Treaty, contains these two clauses:

The Minister of the United States of America in China, whenever he has business, shall have the right to visit and sojourn at the capital of His Majesty the Emperor of China, and there confer with a member of the Privy Council, or any other high officer of equal rank deputed for that purpose on matters of common interest and advantage. His visit shall not exceed one in each year, and he shall complete his business without any unnecessary delay. He shall be allowed to go by land or come to the mouth of the Peiho, into which he shall not bring ships of war: and he shall inform the authorities at that place, in order that boats may be provided for him to go on his journey. He is not to take advantage of this stipulation to request visits to the capital on

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trivial occasions. Whenever he means to proceed to the capital, he shall communicate in writing his intention to the Board of Rites at the capital, and thereupon the said Board shall give the necessary directions to facilitate his journey and give him necessary protection and respect on his way. On his arrival at the capital he shall be furnished with a suitable residence, prepared for him, and he shall defray his own expenses: and his entire suite shall not exceed twenty persons, exclusive of his Chinese attendants, none of whom shall be engaged in trade.

If at any time His Majesty the Emperor of China shall by Treaty voluntarily made, or for any other reason, permit the representative of any other friendly nation to reside at his capital for a long or short time, then, without any further consultation or express permission, the representative of the United States in China shall have the same privilege.

Perhaps the provision in this document for an annual visit was all that a nation still in the making, and only reaching out across the Rocky Mountains to the Pacific Coast with great and painful efforts, could reasonably demand. But in the light of subsequent history and viewing events as they now can be seen

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in their true perspective, few will deny that the clauses in the British Treaty were more correctly drafted and more calculated to enhance the dignity of international relations. The two articles which created a precedent for all nations just as the Treaty of Nanking of 1842 had done, run as follows:

For the better preservation of harmony in future, Her Majesty the Queen of Great Britain and His Majesty the Emperor of China mutually agree that, in accordance with the universal practice of great and friendly nations, Her Majesty the Queen may, if She see fit, appoint Ambassadors, Ministers or other Diplomatic Agents to the Court of Peking: and His Majesty the Emperor of China may, in like manner, if He see fit, appoint Ambassadors, Ministers or other Diplomatic Agents, to the Court of St. James.

His Majesty the Emperor of China hereby agrees that the Ambassador, Minister or other Diplomatic Agent, so appointed by Her Majesty the Queen of Great Britain, may reside, with his family and establishment, permanently at the capital, or may visit it occasionally, at the option of the British government. He shall not be called upon to per-

form any ceremony derogatory to him as representing the Sovereign of an independent nation, on a footing of equality with that of China. On the other hand, he shall use the same forms of ceremony and respect to His Majesty as are employed by the Ambassadors, Ministers or Diplomatic Agents of Her Majesty towards the sovereigns of independent and equal European nations.

It is further agreed that Her Majesty's government may acquire at Peking a site for Building, or may hire Houses, for the accommodation of Her Majesty's Mission, and that the Chinese government will assist it in so doing.

Her Majesty's representative shall be at liberty to choose his own servants and attendants, who shall not be subjected to any kind of molestation whatever. Any person guilty of disrespect or violence to Her Majesty's representative, or to any member of his family or establishment, in deed or word shall be severely punished.

The French more suave than their ally, and having the advantage of a delay of 24 hours, made the text of their own Treaty conform to what seemed to suit the Chinese. Nevertheless they were careful to assert that if the rep-

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representative of any other power took up residence in the capital the same privilege should be extended to them. And what is more to the point, as they were claiming an important indemnity for their military operations at Canton, they inaugurated in their treaty the custom which has since become universal of making Chinese indemnities payable from Chinese Customs receipts, the Maritime Custom houses at Shanghai and Canton having been taken over by Consular officers owing to the flight of Chinese territorial officials.

1859 and 1860 saw the last acts which consummated this revolution. Coming back in 1859 for the exchange of ratifications, the British and French envoys were met at Taku anchorage with gun fire from the Taku ports and forced to retire after the British navy had suffered a severe repulse. In 1860 the two allies returned with large military expeditions. They fought their way to Peking and forced the Emperor and the Court to flee. The famed Summer Palace was burnt as retribution for outrages on prisoners, and fresh sanctions imposed in the Conventions of Peking.

From that moment the modern history of China commences. With the legations of the principal powers established in the capital, and with the entire coast and the Yangtze River thrown open to foreign commerce, the old conception disappeared that foreign affairs, no matter of what nature, were an affair for superintendents and deputies. The Chinese world had become part of the international problem to be handled along settled lines. The will of the mechanically more perfect civilization was triumphing.

§ 2

How much the Treaties of Tientsin and the Conventions of Peking owe to the Taiping rebellion, which was now tearing the heart out of the country, no one has ever accurately estimated. But obviously a parallel movement was proceeding. The Chinese revolt in the Yangtze provinces was as much a symptom of the hour as the foreign nibbling along the coast and the assault on the capital. The whole theory of Imperial control, based on

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blind obedience exacted from neighbouring nations as well as from the swarming population, was in process of collapsing. No longer was it possible to pretend in high-sounding edicts that a temporary misfortune necessitated a temporary retreat. It was collapse, surrender. The exigencies of modern treaty-making might afford a respite, but it was only a temporary respite.

The reign of treaty ports had commenced. At first these were nothing but small mercantile communities living isolated and not very happy lives surrounded by suspicious populations. But gradually, through their superior organization and the solidity of their administration, they attracted vast numbers of the trading community of the country who soon learnt the value of a market overt. A new unity of interests was thus built up in the 40 years between the first occupation of Peking and the Boxer outbreak of 1900. The ease and security of commercial operations conducted in semi-western fashion infallibly won over the moneyed interests; and thus the most powerful of all bonds, the cash nexus, had be-

gun to unite Chinese and foreigners in numberless ways which they were powerless to dissolve. The failure of the Boxer outbreak as a national movement is due to this one fact alone, since no man will willingly sacrifice his material interests for an ideal which, to be attained, demands not only the total destruction of those interests but the surrender of his future.

After 1900 the final undermining commenced. A development which has even now not been sufficiently noticed in its vast ramifications, but which is of incalculable force, was gathering increasing speed. Railways, which had hitherto been restricted to short colliery lines, were being planned and built on a relatively large scale. Just as the treaty ports, with their steam-shipping and modern organization, had swept into the limbo of forgotten things, the old junk anchorages, and the inexactitude and week-long bargaining of the Middle Ages—so now were railways destroying the old cart and water traffic and transferring every important provincial activity to the vicinity of their sidings. It is an historical fact that the proposed nationalization of the still unbuilt

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Szechuan province trunk-system started the Republican revolt in the late autumn of 1911 in Szechuan. It was the power of speedy communication between disaffected centres which the foreign telegraph and post office gave which made the climax inevitable; for everything that has occurred for more than 90 years in China has only been important if it has had a foreign origin and not a native one. There is indeed not a single activity of any sort or description which exists to-day which cannot be traced back to foreign influence. And so it happened that in 1912 the dynasty disappeared, and the Republic formed more by *camaraderie* than by principle commenced its astonishing career. It was to be devoted to progress, the rights of man, equality and other inconstant words newly-learnt; and it beckoned to all brothers across the sea to behold its victories, unmindful of its destruction of that really constant thing—Chinese civilization.

From across the seas had come everything of power, the material improvements, the ideas, the energy as well as the new type of discord. While the face of the country-side remained

unchanged, and crumbling city walls formed the background to the massive agricultural life, in the coast and riverine cities all was alive and seemingly improving because full of sharp contrasts. Wealth constantly accumulated as new activities were unloosed, the increased speed of life throwing this Non-China out of gear with the rest of the country and giving it a savage disregard for old-time methods. The factory whistles summoned every day ever larger armies which grew from year to year until they had become the same dreadful problem as in the industrial West. Where there were formerly a dozen compounds screeching with machinery there were now hundreds if not thousands: a new China, not of the treaties but of the international order which eludes control.

Violence increased as the armed numbers increased, the never-ending importation of firearms to feed the civil wars and the constant additions to the labour armies of men who had done a turn of service in provincial levies, bringing to the fore a new race of men who were not slow to head every subversive movement with pistols in their hands. The world

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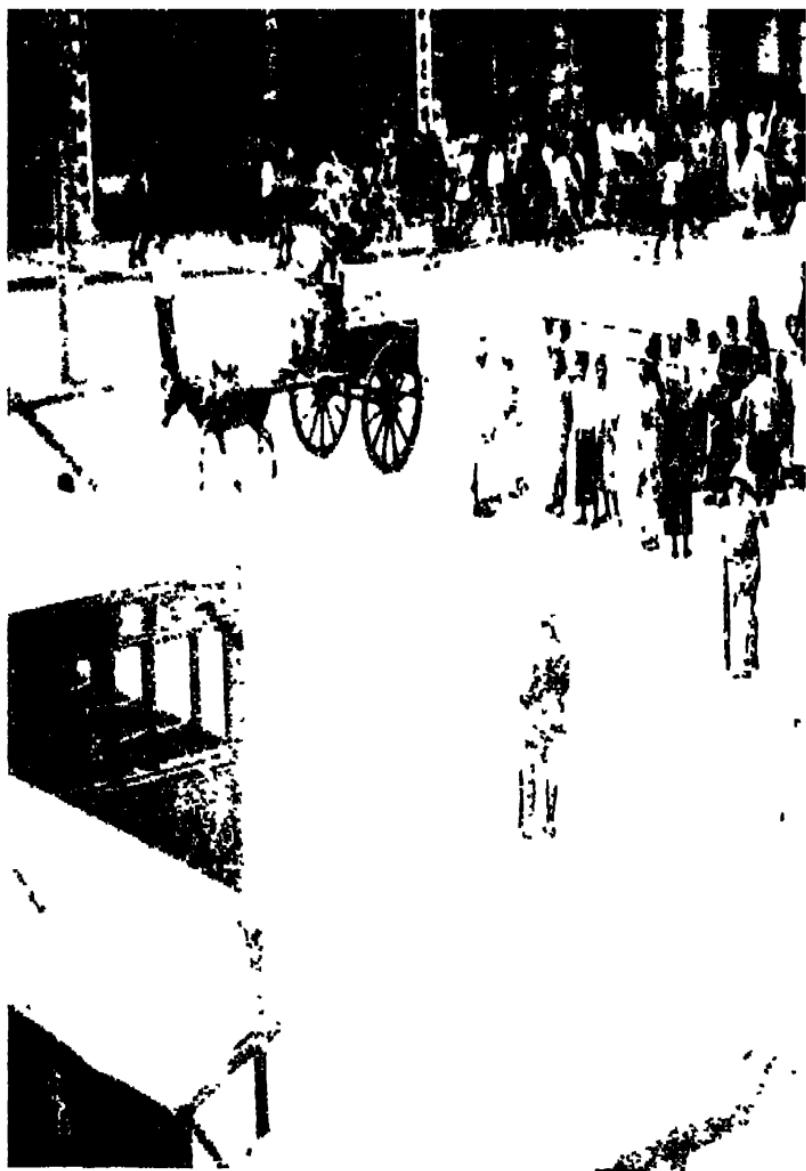
war, drawing hundreds of thousands into labour-corps—and into Russia and Siberia as well—was destined to spread its poison slowly into China's veins. The men discharged back home were accustomed to the theory of violence and not slow to apply it. Overseers and foremen of factories, as is not unnatural when men are outnumbered 100 to 1, armed themselves, and incidents of a grave character commenced. The Japanese mills which had created new Osakas, on the China coast so as to take advantage of the reputedly cheap Chinese labour made amazing progress by sweating the people. The high cost of living in semi-foreign cities, where far higher standards obtain than in the country, forced swarms of children into the mills and added to the general turmoil which factory servitude seems fated to bring. A new solidarity based on the machine and, dimly drawing its inspiration from the illimitable range of mechanical power in these overheated hives of industry, charged the air with electricity. Men had been killed or badly wounded in the scuffles that had taken place, prior to 1924; but it was not until just such an



The Louza Police Station at Shanghai at the entrance of which the firing of May 30th took place, which started the political agitation throughout China.



The crowd on the opposite side of the street at Shanghai watching the developments which took place subsequent to the firing.



Shanghai volunteers on guard after the declaration



of a state of emergency.

occurrence in Shanghai had put a match to combustible elements and started a general conflagration that it was realized, even on the spot, that there was a new world of worries to be faced.

§ 3

In May, 1924, the main public concern was curiously enough something quite different. What filled the newspapers was the possibility of the resumption of civil war, owing to the latent hostility between Marshal Chang Tso-lin of Manchuria and the Christian general Feng Yu-hsiang, who had been left in a dominant position by the success of his *coup d'état* of the previous autumn, and by the astuteness which he had displayed in selecting the mountain fastnesses above Peking as his base.

For nearly two months a sharp tussle had been going on behind the scenes to dissuade Marshal Chang from coming south from his Manchurian capital to Peking as it was felt that his arrival might precipitate an outbreak which had been looked upon as inevitable for half a year. Yielding to the arguments of his

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entourage, Marshal Chang had consequently delayed his departure. Had he started in April, as he had originally planned, all recent history might have been different since his energies would not have been paralysed by an alleged nationalist outbreak, which was speedily turned into a weapon for use against him by the Kwomin Tang political party.

There was another circumstance. It was not entirely the domineering attitude of Japanese overseers which had marked down the Japanese factories and made them the centres of increasing disturbance. An unseen hand was undoubtedly directing a movement which was far more political than industrial and which was marked by many new features. Unrest might be in the air, but the factory troubles were too constant and were taking place at too widely separated points not to be traceable to a common inspiration. It is significant that on May 7th, the Peking student bodies, after a long period of quiescence, had suddenly decided to hold a giant demonstration on Humiliation Day, as the anniversary of the filing of the Japanese ultimatum of

1915 over the Twenty-One Demands is called. The thwarting of this attempt left bitterness and provoked an amount of passionate language which was quite disproportionate to any injury suffered. It was freely reported on every side that Soviet Russia had commenced spending money among students as a counter-offensive to the Japanese railway advance in Manchuria. Certainly the radical wing of every organization was being methodically drilled by new drill-masters in a new technique, and the students were beginning to boast.

The National University in Peking, dreaming perhaps of becoming another Smolny Institute, sent instructions to other student bodies to use the case of the killing of a Chinese workman in a Japanese mill in Shanghai which had already led to a strike, as an excuse for attacking the whole position of foreign interests in China, Shanghai being marked down as the most favourable battle-field on which to wage a war without weapons.

May 30th was a Saturday, and Saturday in a community dominated by English ideals is a day of sport. Only for Europeans, however,

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and not for the swarming crowds of a city that with its suburbs already possesses nearly two million inhabitants and will possibly be the first city in the world to boast of a population of ten millions. For them Saturday afternoon, like Sunday, was a day of semi-idleness, a splendid day for trouble while the masters were at play. Watching over this great community was a small force of 4000 police, three-quarters of whom were Chinese. Trouble had already been encountered from students coming into the foreign settlement from Chinese territory in their preaching, but the dense clouds gathering had been unnoticed. A vague apprehension that the problem of Shanghai was becoming too big for old methods had been shown some months before in an attempted strengthening of the police force. Characteristically, it had mainly consisted in the conferring of new titles on the European chiefs, but within the ranks of the police administration there was no quick means of acquiring expert information on purely political matters. The municipal organization relied on the consulates to which it was originally

subordinate: but no properly staffed political department was at the disposal of those to whom was confided countless millions of property as to what was taking place in this strangely chaotic Chinese world, which, like a colossus, had one foot on the East and the other on the West. Thus did it happen that policemen were in charge—policemen with cut-and-dried instructions when flexibility and prescience were essential.

According to the evidence in the only court that has sat on the case, the Shanghai Mixed Court, this is the exact sequence of events.

At 12:40 on this particular day a general warning was telephoned to all police stations in the foreign settlement that student demonstrations were imminent. No evidence was offered in court as to what authority telephoned the official warning or what preparations had been made in consequence of it: the only material point that transpired was that the bulk of the European police organization was up-country or at play because it was Saturday and a half-holiday. An hour later, to be precise at 1:55, the inspector in charge of the Nan-

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king Road district, which is the equivalent of Regent Street in London or Fifth Avenue in New York, where thousands can collect by the waving of a wand, was notified that public speaking had commenced and that students were collecting in small crowds with flags in their hands. Single-handed and ignorant of what lay behind, the inspector proceeded to work precisely as laid down by instructions. Arrested students, when they were formally charged, admitted that they had no permits to speak on the streets but denied the authority of the Council to restrain them from patriotic actions. Disorderly scenes began to occur, and it was not long before isolated European police were fighting for their lives. The rapidly growing crowd, incited by hand-bills and by paid agitators who appeared as if by magic, made the prospect more and more uninviting. By 3 o'clock in the afternoon the die was cast: but the evidence at the police court trial is silent as to what communications passed between police headquarters and the station which was confronted by these developments.

The fact that 20 years before, this now his-

toric Louza police station had been attacked and burnt by a mob, no doubt dictated the next move. The inspector, abandoned to his own resources but determined not to lose control, fell back from the main thoroughfare, after having ordered all reserve police, Indian and the Chinese, to load their carbines. The last act took place with that curious irrelevance which is always characteristic of things prepared by an unkind fate. As the crowd surged forward, roaring with rage and ignorant of what was about to happen, a warning, which was never heard, was shouted. Then two sharp volleys were heard, forty-four shots in all, ushering in a period which will never see China the same.

These are the bare facts, the outward indication of the violent birth of a new order. Inspector Everson had played his allotted part as ignorant of the real drama as were the courtiers, who bowed and scraped before Hamlet, of the madness of the Prince of Denmark. An immense amount of ink has flowed in the profitless task of trying to prove how things might have been different had certain simple

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precautions been taken. But the police officer, standing at the gates of his police station and doing what his instructions laid down in case of dire extremity, shooting to kill, was a symbol of something that could trace its descent directly back to pre-Treaty days. His error, if there was one, was the error of an order that has not yet been adjusted to vast changes. Where this double volley on the Nanking Road is to lead no man can yet imagine: but in the vast conflict which has been going on for three generations it marks a distinct stage and is as significant as any other act of the period.

An hour later the scene had magically changed. The word spread like wild fire through an inflammable population that there had been a massacre of Chinese on the city's main thoroughfare by foreigners. Coming as the incident did after a long series of civil wars and clashes, it was instinctively recognized by these self-same foreigners as the grimmest danger since the generation of the Boxers. It might pass away, but then again it might deepen to blood red. A general call to arms

was issued and urgent messages brought back the Europeans from their games.

The next day found Shanghai an armed camp with the situation worsening from hour to hour. It was as if everyone had been waiting for this, and had agreed that all hidden discontent should be given its fullest possible chance for expression. An extraordinary meeting of the foreign rate-payers to carry out certain changes in the municipal laws, with regard to increasing trade-taxation and stiffening the law of publication, which had previously been announced, instead of being postponed was vainly persisted in, although these measures were bitterly opposed by the general body of Chinese, and a mad policy at the moment. Proclamation of a state of emergency and the landing of marines and sailors from foreign warships brought that constantly recurring phenomenon of the Canton factory days, the stoppage of trade, now called a general strike. Something of the repulsion of Buddhists at the deliberate taking of life has been seen in the extraordinary hostility of the

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hour: but behind it all is the perennial conflict of race which had been going on ever since the white man landed in force. Only a very careful judicial inquiry by large-minded men who are anxious to arrive at the truth can determine whether the foreign settlement of Shanghai was guilty of a suicidal act, or whether what took place was heroic.

The news of the shooting, speeding on wings of fire up the Yangtze Valley, produced the inevitable result. The little foreign communities on the great river were exposed to insult and outrage. In Hankow on June 11th, as a general protective measure to save the wealth of the settlement, fire was opened to restore order: and this was followed by outrages on the consulates at the next river port, Kiukiang.

Showing quite plainly that a *mot d'ordre* had gone forth from some hidden quarter, Canton suddenly revived its ancient quarrel with Hongkong which three years before had taken the form of a devastating seaman's strike. This time a universal strike was decreed to starve Hongkong into ignominious

surrender. The inevitable sequel was a parade of defiance on July 3 at Canton round the little foreign settlement of Shameen, with the proclaimed object of provoking incidents which might lead to the elimination of all foreigners. That as a result of shots fired by Bolshevik orders a miniature battle should have followed, in which the paraders suffered a loss which ran into hundreds, was another proof of the ugly feature of a war such as China has never known before. The paralysis which always overcomes officialdom throughout Asia, in the face of a prolonged crisis until some leader has taken a definite stand, was amply evidenced in other minor outrages. And thus, while the revolt of 1925 bears no resemblance to the Boxerism of 1900, behind it has constantly hovered possibilities which have frightened the foreign communities because they recognize that they have been left to protect themselves.

§ 4

It was to Peking that all eyes were now instinctively turned. While the foreign com-

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munities in China are by no means inclined to take a flattering view of their diplomatic representatives, in a situation so close to open warfare they realized the necessity for official leadership, since without official action they could not be rescued from the impasse into which they had been led. In Peking, however, the outstanding fact was the damaged position of the legations which had nothing much left but the tradition of their former potency. The whole course of events had indeed conspired to destroy solidarity and to make individual representatives full of timidity and caution. It was not merely a question of the self-denying ordinances of the Washington Conference. The world war, by eliminating Germany, Austria and Russia from the Concert of Powers had diminished to that extent the international value of the group as a whole: while many other matters had shown China that diplomacy was nothing but a Colossus with feet of clay. The small-minded cruelty which had induced the Allies to force China to deport Germans when the European war was over had

disclosed a frailty in the white race which had never been previously suspected. A loss of influence was bound to be the allotted punishment for the system which placed diplomats in a fortified quarter, isolated from, and indifferent to, civil wars. A diplomacy that had, moreover, seen the basis of government destroyed, not once but repeatedly under its very eyes and had remained silent and unmoved was not a sapient diplomacy: yet this is what had been going on in Peking for years. In the summer of 1923 the driving away of President Li Yuan-hung had involved the diplomatic body to the extent that the generals commanding in the city had been in written communication with them, guaranteeing them their safety and asking them to pay no attention to the rest. It was because the public understood that even the most bare-faced actions were now tolerated by the representatives of the world's governments that general anarchy had increased and the spirit of authority had become lost. In 1924 a perfectly unjustifiable and useless civil war had been allowed to start around Nan-

king and Shanghai, when an uncompromising stand prohibiting the seizure of the railways would have been supported by the entire nation. Diplomatic inertia had gone so far that even the Protocol of 1901, which lays down categorically that open communication between the capital and the sea must be preserved at all costs, had been made a scrap of paper, the railways between Peking and the sea having been virtually abandoned to military disorder for weeks at a time and the whole civil population of North China, as well as the legations, exposed to grave danger because no one had had the courage to grasp the nettle firmly.

It was a diplomatic body which had inherited this damaging record that was suddenly called upon to adjust a problem of admittedly stupendous difficulty which would tax the best political minds. Its agitated meetings were to be held within a few yards of a Soviet ambassador who was secretly doing everything in his power to minimize their effect and to sow discord. The red flag, on which is embroid-

ered a sickle and a hammer, flew not only from an embassy in the very centre of Legation Street, but was the secret ensign in the camp of the agitators. That so much was done is highly creditable.

After the first period of hesitation, the decision was taken to despatch to Shanghai a diplomatic commission to discover precisely what could be done to quiet the storm, subsequent instructions extending very widely the powers of the commission to include negotiations. But being left more or less to its own devices, the commission acquired what may have been a correct knowledge of the facts, but a knowledge which was tainted by the private nature of the inquiries made. Perfunctory meetings with Chinese official delegates, who were at the mercy of strikers' committees, convinced the commission that there was little to be done. Thereafter occurred an episode which is still obscure. It is alleged that the written report of the diplomatic commission which was finally compiled and forwarded to six governments, recommended that the chair-

man of the Shanghai Municipal Council be censured, that the Commissioner of Police be dismissed and that the Inspector who had ordered the firing be suspended and brought to trial. The allegation is that on the motion of the French Minister these so-called sanctions were transmitted to the Shanghai consular body, which was instructed to prepare at once to take over the control of the foreign settlement during the interim period which would result from the resignation of the municipal council. Telegraphic replies are stated to have come that three days' grace must be allowed to carry through such a complicated business. It is suspected that these three days were spent in securing that the menace to foreign interests, and particularly British interests, which such a procedure would entail might be adequately understood in Europe and particularly in London. While no authoritative statement has yet been published, it can be assumed that the British government accepted this reasoning. Therefore endorsement of the action of the diplomatic body was not forth-

coming from the power whose interests were still superior to those of other nations: and instructions to that effect were at once telegraphed to the Far East.¹

This unexpected dénouement naturally further disrupted Peking diplomacy. The result of the attempt to revive the old energy had been disastrous. The power of initiative had passed elsewhere.

We have undoubtedly reached the curious position in China that, on the foreign side, interests have grown stronger and bigger than the men charged with their official safe-keeping, thus making a "policy" impossible. And on the Chinese side, although only yesterday the world was denouncing militarism and declaring that the war-lords were wrecking the country, suddenly this new phenomenon of civil revolt—called nationalism—has arisen and defeated the calculations of the soldiers. This is more particularly so because there is reigning in Peking a provisional gov-

¹ This complete official correspondence will be found in the appendix, together with China's demand.

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ernment which while recognized by the nations as the *de facto* government of China has not yet established any legal claims, and is the result of a *coup d'état* the inner story of which should now be told.

CHAPTER II

THE WAR-LORDS AND THE COUP D'ÉTAT OF OCTOBER, 1924

The war-lords of China, or the so-called *tuchun* or *tupan* (an expression which means military director), who have become familiar throughout the world from their unending civil wars, are a phenomenon which has always existed. From the earliest days the strongest men of each locality have gathered together what forces they could and made desultory war on their neighbours, eventually establishing themselves as petty chieftains or princes, who as a reward for acknowledging the overlordship of the Emperor had their local titles confirmed. The only radical change in 3000 years of history is that there is no longer an emperor, and therefore an essential part of the formalism and ritual which made China a state has disappeared. This gives an appearance of anarchy to the country and disturbs the adminis-

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tration because the capital appears to be a void. Yet China is really no more anarchical than she has always been. Obedience to code-book law has never been a native characteristic, and could not reasonably be, since the nation's civilization or culture is founded on an enthronement of nature, and there is no more disorderly force than the natural force. The Emperors of China have necessarily resembled, during the major portion of thirty centuries of history, the Emperors of the Roman Empire in the period of decay, as, for instance, in the fifth century when the tradition of the universal empire remained and little of the power. A new and vigorous dynasty might succeed, as the Manchu dynasty did, in being a real power during the first hundred years of its existence, but palace-rule came in due course and after it, collapse. The revolution of 1911 was different from other revolutions only in that it refused to count itself a historical gap, and declared on the contrary that it would perpetuate the rule of the millions—or rebellion under the name of *Minkuo* or the People's Country.

In the confusion of the first years of the Republic there seemed to be no difference between the capacity of the various leaders; but as time went on the one solid military organization, the Northern Army, which Yuan Shi-kai had planned after the Boxer collapse, began to take the lead. The officers had at least received some military instruction and could seemingly be counted upon to give and exact a certain obedience, and they were accordingly distributed in all provinces north of the Yangtze River and also in all those that could be reached from that great waterway. This led to the Supreme Chief—who in English is rather fatuously called “President” although the translation is incorrect, being more Chief Commander than civilian head—trying to make himself Emperor, and dying from the experiment. The tangible result was that the twenty-two provincial capitals of China were left in the hands of soldiers who, being in control of provincial revenues, were able to entrench themselves so strongly that combinations became necessary to drive them out. The power of the presidents became more and

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more nominal. By 1920 the last restraint had vanished, and just as Roman generals fought with each other for the succession of the Cæsars, so now in China the leaders who were strategically best placed tried to lay their hands on the central government, knowing that if they could control its machinery such revenues as remained would flow into their coffers.

By 1922 there were two men who had forged to the front and overshadowed all others, their rivalry being the chief political issue in the country. The first, Wu Pei-fu, was a typical example of the Chinese military school. A man of good education, personal courage and overweening ambitions, he lacked the element of sound common sense which distinguishes the real from the fictitious. Chang Tso-lin, his rival, had had a career as remarkable and as extraordinary as any contained in the annals of mediæval Italy. Commencing life as a highwayman when a mere boy because a price had been set on his head by the local magistrates for wiping out a whole family for revenge, he acted as an irregular ally of the Japanese in Manchuria during the Russo-

Japanese War. Taken into the Chinese army as colonel at the end of that conflict, he steadily forged to the front and by the time of the revolution was a dominant figure near Mukden. A few years later, by sheer force of character, he won the hegemony of Manchuria and was able constantly to strengthen himself from the revenues of these rich provinces.

Certain remarkable features regarding the strategical position of both leaders merit emphasis as these features constantly recur. Each had his centre of power at a distance of about 500 miles from the capital, and each was on a trunk railway, possessing ample facilities for a large movement of troops. But Wu Pei-fu was in the heart of Old China, with half-a-dozen densely populated provinces around him, while Chang Tso-lin, being beyond the Great Wall in Manchuria, was backed by a sparse population.

The first act was played in 1922 when the president of the day, who had formerly been a viceroy of Manchuria, being hard pressed by Wu Pei-fu, sent a secret appeal for help to the rival. Chang Tso-lin promptly mobilized.

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An unending stream of trains poured down a hundred thousand men to the vicinity of Peking, and a confused battle opened. But secret diplomacy was at work, and the Manchurian war-lord had to order his troops to retreat pell-mell, losing quantities of material in the process to avoid being caught in a trap. A final battle fought at the barrier town of Shanhaiwan on the Gulf of Pechili was so inconclusive that both leaders were willing to make a truce which was signed on board a British cruiser lying near the scene of action. The war of 1922 terminated with Wu Pei-fu sending in a staff officer to the delinquent president, and informing him that he had better go quickly as another with an uncompleted term of office was about to come back.

The second act took place in 1924. A third president had meanwhile come in and merits mention because he is still imprisoned in the palace. This man, Tsao Kun, a field-marshall, had driven out the previous occupant by a manœuvre so extraordinary that it resembles those countless episodes of mediæval Europe. Tsao Kun, having amassed great wealth

through handling of the military funds, had built himself a tomb worthy of an Emperor; but fortune-tellers had told him that his destiny would not be fulfilled unless he succeeded to the supreme office of the land and could be buried as a president. His friends, finding in the summer of 1923 that the atmosphere of Peking was suitable for anything and everything, decreed a police strike on the plea that the police were justified in refusing duty as they had been left unpaid for several months. They surrounded the mansion of the president with vagabonds, and made his position intolerable by cutting off all communication. He endured this humiliation for five days: and on the sixth he obediently bolted.

The affair created a great scandal even in Republican China; but as the military leaders were not yet ready to fight, the incident was allowed to pass in discreet silence. Tsao Kun's friends, having completed the first essential step, prepared everything for the second, which was his election by the Parliament at a cost of \$5,000 per member. This money had been previously got together from an

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opium crop which had been specially grown, well in advance, to pay for the expenses incurred, a unique if Gilbertian touch showing the hand of genius. The new president assumed office to the hurrahs of office-holders who were glad to see such legality return. The spring of 1924 came and went without the customary spring war, somewhat to people's surprise, and it was not before late summer that suddenly a new clash occurred.

This time the conflict started near Shanghai, exactly why no one can explain, not even to-day. Opium is suspected, however, for the secret opium trade still brings in a million sterling to whoever controls the approaches to the great Yangtze port. Some days after it had commenced, Tsao Kun, received a written warning from Chang Tso-lin that unless he stopped it by withholding supplies he would have to reckon with a rude awakening from the North. He apparently paid no attention to the written communication, but within forty-eight hours reports spread that a general mobilization had commenced in Honan province, which was Wu Pei-fu's stronghold, as a

counter-measure. Three days later all railway traffic was suddenly stopped on the boundary between Manchuria and China. This was followed by the biggest military concentration ever made under the Republic. Wu Pei-fu, seizing all the railway lines poured an unending stream of troop trains into the battle-area, whole divisions being crammed into places suitable only for battalions, the majority being concentrated in the narrow neck of land between the mountains and the sea which separates Manchuria from China and is crowned by the Great Wall.

The whole war-lord system, which is based on the interception of national revenue at the points it is levied and on nothing else, was about to be rudely tested. Yet those foreign instrumentalities, symbols of the invading foreign civilization which had come into the country owing to the treaties, which provide hard cash, and without which the greatest military commander in China could be no more than a local bully with just enough money from the grain and octroi taxes of the agricultural districts to feed his men, these instrumental-

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ties, after being prostituted for years were to have their revenge. The railway, the telegraph, the steamer and the factory were conspiring to make defeat more complete and victory more illusory than ever before.

Still Wu Pei-fu's confidence was overwhelming and so was Chang Tso-lin's. Each had prepared surprises for the other on this self-same ground at Shanhaikwan which had been fought over to decide the destiny of Peking for a thousand years. Wu Pei-fu, utilizing his hold on the maritime provinces had some of China's cruisers and a good many merchant steam-vessels at his disposal; his trump card was obviously a surprise landing far in the rear of his entrenched enemy, who, caught between the mountains and the sea and unable to deploy or retreat, would be sewn up as in a bag. But the Manchurian war-lord was just as sly. Careful work and preparation had given him an overwhelming supply of trench-mortars and mobile artillery amply supplied with ammunition, together with an aeroplane force that was constantly in the air.

His trump card was to be a clean break through in the very centre of the line.

Both plans were abortive. The surprise landings proved impossible owing to the tireless eyes of the aeroplanes; and as for the break through by frontal attack, it broke down on the eve of success because Chinese commanders can never get their troops to pay the price of victory when lazy, harmless positional warfare is what they have been trained for and expect—or else a smart trick.

§ 2

One of Wu Pei-fu's major problems had been the question of the loyalty of the now famous Christian general, Feng Yü-hsiang, who had been in command in Peking with 30,000 troops for nearly two years. After long negotiations Feng Yü-hsiang had been induced to break camp and marched up into the mountains to the north of Peking, forming the extreme western wing of Wu Pei-fu's armies. He was still suspected, of course, but it was

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thought that if a careful watch was kept on him he would not dare to act.

There were other reasons for anxiety. Troops from distant provinces such as Shensi were almost mutinous from the start. The mobilization of every possible unit north of the Yangtze had thrown together a quarter-of-a-million of ill-assorted commands, insufficiently supplied with food and equipment, and with an ear open to every rumour. Soon it was reported from Shanhaikwan that Chang Tso-lin's forces, having been beaten off in their frontal attack, had found an unguarded pass in the Great Wall and slipped through. This upset the confidence of the commanders. Another element caused even deeper anxiety as its true nature became clear. It was whispered far and wide that the Japanese military party, being by no means satisfied that Chang Tso-lin could hold his own against such superior forces, was taking part in the war to the extent of observing every detail, and, communicating everything of importance. In spite of the Arms Prohibition, Japanese munitions had certainly poured in to the Manchurian forces, all

the aerial bombs being of Japanese manufacture, the wadding being made of Tokyo and Osaka newspapers. Wu Pei-fu was also disappointed in the action of Soviet Russia. He had half expected that the Bolsheviks would create a diversion along the Chinese Eastern railway because they coveted the line and had been unable to come to terms with Marshal Chang. But instead of taking military action they had negotiated a local agreement with Manchuria thus impregnably securing Chang Tso-lin's rear.

It was in these circumstances that Wu Pei-fu, more and more provoked by the powerlessness to which he had been reduced in spite of a vast numerical superiority, began telegraphing to Peking that something must be done to checkmate Japan. The precise nature of his communications is unknown, but it has been generally supposed that he blamed President Tsao Kun and his supporters in the capital for their inadequate diplomacy when they had assured him that all the foreign powers desired his victory. The military preparations Japan had commenced to make openly seemed

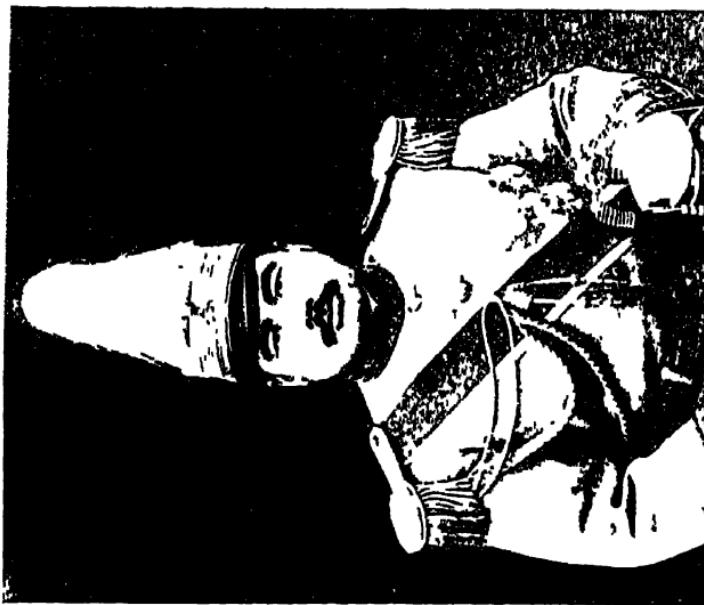
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to prove that she would oppose by force the landing in Manchuria of any body of Chinese troops hostile to Chang Tso-lin, since that would mean disruption of the Manchurian provinces and serious financial losses to Japanese enterprises.

There was a curious pause which lasted for some days. Then, on October 17th, an emissary in Peking came to representatives and friends of the Christian general with copies of two cipher telegrams bearing the seal of the Japanese legation as proof of their authenticity. Both were very lengthy, numbering several thousand words. One was addressed to the Chinese minister at Washington, and the other to the Chinese minister at Vienna. Although despatched by the secretariat of the president's office, and containing the statement that they were issued by the direct order of the president, both were prepared, it is alleged, under the guidance of Dr. Wellington Koo, then Foreign minister. They recited in great detail all the violations of neutrality of which Japan had been guilty in the fighting around Shanghai as well as round Shanhai-



The Great Wall at Shanhaikwan against which Marshal Chang Tso-lin's army was vainly hurled in frontal attacks.



Marshal Feng Yu-hsiang, called the Christian General.



The defeated war-lord, Wu Pei-fu, photographed in his retreat on the Yangtze.

kwan, with lists of munitions supplied, and specific clauses of treaties and conventions recently entered into which had been deliberately broken. The Chinese minister at Washington was called upon to communicate the text of this message to the President of the United States and then to make it known to the world as China's indictment of Japan; and the Chinese Minister of Vienna was ordered to proceed to Paris, to evict the representative to the French Republic because he had not prevented the export of French aeroplanes to Chang Tso-lin, and assume office there following the same course as his colleague in Washington regarding publication. The emissary who waited on the Christian general's friends stated categorically that if these telegrams were divulged to the world by China's representatives it would lead to drastic action on the part of Japan. After a brief discussion the small group, which comprised cabinet ministers, decided to act. They first telegraphed urgently to Washington and Vienna asking for confirmation. The replies came promptly enough that the telegrams had been duly received but that nothing

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had so far been done as the task set was an impossible one. Thereupon the complete story was transmitted by the camarilla to the Christian general with the request that he take action at once.

On the night of the 19th of October he called a meeting of his officers and told them that if they supported him he would stop civil wars in China for ever by overthrowing the existing government. Their adhesion being secured, orders were given the same night for the troops to break camp and proceed by forced marches in the direction of Peking which was over a hundred miles away. On the evening of October 22nd the Christian general had arrived at a point fifteen miles outside the capital. He sent in a secret message summoning the general in command of the city to come out and meet him. This officer did so and was given the opportunity of either throwing in his lot with the plotters or never returning alive. He saluted and accepted the situation. At 4 o'clock the next morning the vanguard of Feng Yü-hsiang's troops poured into the capital,

seizing the telephone and telegraph offices and railway stations, imprisoning the president in his palace, and bringing the entire life of the capital to the most absolute standstill it had ever known. The *coup d'état* had been an outstanding success.

The tremendous surprise of the Christian general's stroke was indeed amply apparent throughout the country when the news became known. On the day of October 23rd Peking was so flattened out that scarcely a thing moved. All round the legation quarter anxious groups of high Chinese stood beside their arrested motor-cars, for a cordon of troops had been flung round the diplomatic quarter to secure that no official escaped and took refuge under diplomatic immunity. A curious new feature was observed in the armlets with which the soldiers of the movement had been suddenly furnished. On a small white circle of cloth were inscribed the characters "Citizens' Army"—something that hitherto had not been thought of in spite of a decade of fighting. People were dimly aware that China had

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entered a new phase less related to the old Empire than any other since 1911, a phase pregnant with merciless possibilities.

Outside Peking, on the great dusty plain which leads to the mountain passes sixty miles away, down which the torrent of soldiery had poured, the Christian general, with the bulk of his command, stolidly remained and watched to see what would happen. The slow-moving camel-transport raised a cloud of dust twenty miles long as the endless lines of hairy beasts stalked back to the capital with the ammunition and supplies which had never been used. Yet although the *coup d'état* had been completely successful as a military stroke, Feng Yü-hsiang was unable to form a government, his political friends being too unimportant to succeed in the attempt, the others being too panic-stricken to wish to assist.

The mass of the army entering Peking on its way to the railway stations conveyed the impression of a new invasion from Tartary such as the capital had often known in the middle ages. But this time it was an invasion with a note such as had never been sounded before;

for the marching soldiery every once in a while burst into rhythmic songs which shaped themselves into familiar hymn tunes such as "Onward Christian Soldiers" chanted with a curious Eastern lilt.

On the battle-front at Shanhaikwan where all North China and Manchuria was entrenched, the news from Peking brought a kind of stupor. Although this was the thing that Wu Pei-fu had tried to provide against, even his imagination had failed to conceive such a disastrous issue to all his plans. The work of years had not only been destroyed but he had been made ridiculous by the ease with which he had been outwitted. A new set of impulses, fresher and more up-to-date than any others, had been most strangely set in motion. The men who had been at the head of affairs only a week before seemed old-fashioned in ways hard to define.

A hasty council of war resulted in most of the generals persuading Wu Pei-fu that it was impossible for him to continue the struggle with his old enemy, Chang Tso-lin, when the capital, and all it stood for was in the hands

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of a man who cherished against him a deep grudge. After some momentary hesitation he began half-heartedly to move his men back, but everyone's spirit was gone. A few miles outside Tientsin these troops met a greatly superior force of the Christian general's; and after a battle which was no more than a skirmish they deliberately allowed themselves to be outmanœuvred and surrounded. Wu Pei-fu, coming down more slowly, remained in a railway carriage near this new front during more than a week, daring his enemies to seize him, and finally slipping away by steamer down the coast and up the Yangtze River with a small body-guard where he has since been left in peace.

Hatred had dictated the stroke—the origin of the hate being typically Chinese. In 1922, after the first clash with Chang Tso-lin, both Wu Pei-fu and Feng Yü-hsiang had been appointed to the same province. But to the Christian general fell the provincial capital, and here his men discovered a great secret hoard belonging to the previous military governor who had devoted most of his energies

to amassing wealth. The Christian general promptly confiscated it all so as to extend his armaments and buy munitions. The story reached Wu Pei-fu, who summoned him to account for the monies he had found. Feng Yü-hsiang denied having found anything but practically worthless paper money; and the other, being unwilling to give him the lie direct, had him transferred out of the province to Peking—a penniless appointment where it was hoped that his army would starve itself to disbandment. Instead of that wise and frugal management had trebled its numbers allowing of a revenge which would have done credit to a Medici.

Meanwhile in the capital many were at work “deepening the revolution.” The Manchu boy emperor who had been left in the winter palace undisturbed for 13 years, was suddenly ordered out at 24 hours’ notice and placed under military guard showing that he was to be a state prisoner. Fears were widely expressed that he would be assassinated with all his clan, as what had taken place in Bolshevik Russia seemed to be inspiring a number of moves.

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Nothing untoward happened, however, as representatives of several nations interested themselves in the matter and stated clearly what would occur if there was any "accident." The palaces were turned over to a commission of revolutionists who, under the plea of making an inventory, succeeded in removing everything of value. The boy emperor, more and more alarmed by what he heard, and warned that he must make his escape, finally succeeded in getting permission to take short trips in a motor-car, accompanied by guards. When suspicion had been sufficiently lulled, he turned one day to the legation quarter, and obtained sanctuary in the Japanese legation, finally making his way after a delay of a few weeks down to safety in the foreign concessions of Tientsin. The last link with the abdication edicts of 1912 was thus broken, and Peking left without a trace of the Imperial tradition.

By expelling the boy emperor from the palaces of his ancestors, confiscating his heirlooms and destroying the family pact on which the Republic of fourteen years was

based, a train of events has been set in motion, leading to the unknown. As a political refugee in a foreign concession eighty miles from the capital, the ex-emperor has Chance, that blind goddess, on his side. China's political future supposedly depends on conferences among the citizens, but when or why such conferences are to prove more successful than the score of previous attempts made to cement the foundations of the new régime has not been disclosed.

The effect of these events on Chang Tso-lin and his army which had been desperately fighting an undecided battle in the mountains was most curious. If one were to reason according to European psychology there should have been gratitude and relief. But it soon transpired that there was nothing but suspicion and alarm. An act which had made the Shantung battle a piece of foolishness, and had left both armies in the air was certainly producing abnormal results. The stories afloat that bribery had played its part were hardly confirmed by the first meeting in Tientsin between Chang Tso-lin and Feng Yü-hsiang who

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had changed their rôles towards one another almost overnight. While compliments passed, each man was watching the other and wondering what his next move would be. The story spread that the Christian leader had been imprisoned. Later, when Chang Tso-lin proceeded to Peking, he left the capital so suddenly in the middle of the night that it was declared that he had barely escaped falling into a trap which would have left his armies without their leader. True or false, the stories show what is in the popular mind and how suspicion between all the military leaders remains the dominant force.

§ 3

How are these rival commanders to be brought to reconcile their divergent ambitions and persuaded to abandon their constant attempts to extend the sphere of their respective domains as an insurance against combinations to overthrow them? No one knows,—no one discusses the matter. The nationalist movement against foreign rights and privileges

has for the time being brought a pause: since in the face of a passionate public opinion calling upon all to save the country no one is bold enough, openly at least, to pursue selfish ends. But behind the scenes, in the privacy of staff offices, it is easy to see that nothing has been changed, and that on the contrary every effort is being made to acquire larger revenues and more effective armaments against the day when the guns will open fire once more. The eternal triangle in Republican China is two generals fighting for the headship whose plans are upset by the treachery of a third. The actual strength of the two main armies is hard to estimate, since attached to each group are doubtful elements which may cross over at the last moment to the enemy owing to intrigue or personal ambition. But roughly the Chang Tso-lin or Manchurian group to-day possesses a quarter of a million men: while the Christian general has one hundred thousand under his personal command, with perhaps as many more affiliated to him as part of the so-called Citizens' Army created by the *coup d'état* of October 28th. Behind these two main groups,

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which constitute the present balance of power, there is an indefinite number on the mid-Yangtze supposed to be waiting for the call of Wu Pei-fu. But this third group can do little independently, and will no doubt only act when a situation exists calculated to neutralize the striking power of the two present rivals, and thus allow the third side of the triangle to swing round from underneath to the giddy and unbalanced top.

In armaments there can be no question that the Manchurian group is superior. It has possession of two out of the three main arsenals in the country, besides being supplied by Japan with large quantities of munitions and possessing re-loading plants strategically placed. The Mukden Arsenal is rapidly becoming a vast establishment on which nearly ten million pounds sterling has already been expended and in which men of all nationalities direct many thousands of Chinese mechanics and gun-makers. While the cost of producing weapons is infinitely higher than in Europe or America, an effective arms embargo, which China seems now to desire as

much as the rest of the world, will give a virtual arms monopoly into Chang Tso-lin's hands as he holds a second arsenal in Shantung and by his control of the Yangtze mouth can blockade supplies going to the third.

The Manchurian air force is also far superior to any other in China and indeed the only one to-day that is, comparatively speaking, efficient. Faced by these discomforting facts the Christian general is strengthening himself by supplies obtained in every possible way, quantities of machine-guns and ammunition of German or Russian manufacture having arrived to his address from across the Gobi desert, while poison gas is also being manufactured. The third great arsenal, however, is in the hands of one of Wu Pei-fu's henchmen and as there is no means of wresting it from him, since it is 600 miles up the Yangtze and 800 miles from Peking, strategically the position is one of stalemate.

Chang Tso-lin, no doubt assisted by expert advice, has, however, obtained absolute control of all the seaboard provinces down to Shanghai and controls the Lower Yangtze.

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This, if he can obtain the active support of the cruiser and gunboat fleets, offers great opportunities offensively; but his line of communications from his Manchurian bases is more than a thousand miles long and exposes him to a most serious debacle in the event of a reverse in the field. His proclaimed objective is to use naval power for pushing up the Yangtze and seizing Hankow, which would lock the river and give him control of the terminal points of all the trunk railways in China, besides cutting the country in half along the main water communication. There are those who are urging him to use his naval power to make a sudden descent on Canton, and by crushing the Red Kwomin Tang party, force all those who are wavering to throw in their lot with him. Such an action, if adequately carried out, would be a distinct step towards the hegemony of China.

The Christian general, although apparently cribbed, cabined and confined by the mountain-system above Peking, where he has his base, is in reality in an impregnable fortress which commands all the country to the north and west of Peking and secures for him all roads

to Central and Western Asia. By striking through the mountains to the east he could cut Chang Tso-lin's communications, but this would be a bold and hazardous move not likely to be attempted except in dire necessity. For the moment preparedness is what engages him—preparedness and a consolidation of all territory west of the Peking-Hankow trunk railway so as to free his hands for the offensive elsewhere. The pivotal point is the province of Shansi which has been able to preserve its neutrality through fourteen years of civil wars mainly because the mountain railway leading to its provincial capital is a narrow gauge line, isolating it from the general railway warfare. If this could be won over to the group of Feng Yü-hsiang's Citizens' armies, the equivalent of five provinces would be banded together and their resistance sufficiently formidable to prevent of a smashing blow being attempted.

All commanders in China, however, in spite of what may be said, rely greatly on the state of public opinion and act only when popular support is forthcoming. As a matter of fact this opinion is always a valuable indication of

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the probable verdict on the battle-field. In civil wars such as rage in China, which are more in the nature of popular gestures than true military ordeals, both officers and men are greatly influenced by what is going on around them, and by the support or opposition of the mass at critical moments. Although so far it has not been attempted, there can be little doubt that the railwaymen and transport workers could paralyse all troop movements and bring a truce by declaring a general strike and deserting their posts. Whether the unionizing of Chinese labour has advanced sufficiently to allow of such a drastic move is uncertain, since military executions would be ordered wholesale if such a thing were attempted in spite of the nation-wide denunciations which the shooting in foreign concessions has called forth.

But why, it may be asked, do none of these leaders, instead of trying to throw a net far across the provinces, boldly seize the government and declare a dictatorship? The answer has been partly given in the story of the *coup d'état*. Dictatorship is impossible in

China because dictatorship implies loyalty as well as a clear conception of a definite goal. No one in China possesses such a conception. Even the rôle of a Diaz is impossible. In the case of Yuan Shih-kai, loyalty to his oath of office would have been enough to make an enduring government, but the political lexicons of the Far East will be searched in vain for such a word. Not only is there a constant fear among all commanders of losing their livelihood and power by having to hand over the active command of their troops if they succeed to what is the supreme office, but there is a strong disinclination from becoming entangled in the network of foreign relations which imprison the nominal chief of the Chinese state. Men dimly realize perhaps that the ultimate mastery in China does not belong to the victory by arms but to the decision reached by international commitment. Thus since the death of Yuan Shih-kai in 1916 the President of China has tended to become more and more a mayor of the palace: and although the situation has altered since Marshal Tuan Chi-jui became Provisional Chief Executive by

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agreement between the rival commanders, fundamentally there has been no solution, nor can there be any until the Chinese state system has been so revolutionized that nothing remains of the problems of to-day. So deeply ingrained, however, is formalism and a love of the conventions in the Chinese nature that most elaborate pretences are gone through to maintain the tradition of the central government as the fountain of all honour, all territorial appointments except in certain openly recalcitrant zones, such as Canton province, being recommended to Peking and duly promulgated by mandate.

But why do particular military leaders forge to the front so far ahead of their compeers? Plainly it is because, as in Western countries, such men possess a superior working capacity and nervous energy. After forty nearly every Chinese seems to suffer a moral collapse and suddenly becomes old, 40 years of age in China being roughly equivalent to 58 in Western countries. The few that do not wilt at that turning point are the exceptions. Chang Tso-

lin at 52 is as vigorous and as quick as a front-line scout. He has been known to gamble away two days and two nights without any rest because times were dull, a phenomenal proof of superabundant nervous energy. Feng Yü-hsiang, the Christian general, is just over forty and as burly as a carrier coolie and quite as tireless. Even admitting the element of luck, attention to business and a marked physical capacity seem to dominate the problem. The Christian general, however, after his *coup d'état*, definitely proved that he was unable to form a government: and although Chang Tso-lin would be more successful, events seem to show that he is not yet sure of himself.

Expert foreign opinion believes that the first commander who will accept a foreign commission of staff officers will be the first one to secure a real hegemony, but so far a foreign legion is the farthest anyone has dared to go. Chang Tso-lin's brigade of 4,000 White Russians—the real spear-head of his army, is now matched by Feng Yü-hsiang's Red Russian in-

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structors and Canton's Red Cadet corps. In this there is proof that the white man is recognized as the man of force—the organizer—and that from him China can never shake herself free.

CHAPTER III

BOLSHEVISM

§ 1

The subject of Bolshevism in China and the extent to which this latter-day doctrine has influenced the march of events before and since May 30th is one that has engaged much attention throughout the world, but regarding which there is much confusion. A blunt recital of the chief events of the past five years should do a great deal towards showing the nature of the Red failure, and the manner in which Sovietism had gone into small pockets because China is a barrier as unshakable as a fortress of mud.

It was in 1920, after the termination of the Kolchak venture and the peculiar dishonour in which the allied intervention in Siberia ended, that the Chinese government began to concern itself about the question of its future relations with the great Northern power. Those were

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the days of the so-called buffer state when Soviet Russia, which was still casting around for a formula to meet the peculiar conditions in the Far East, conceived the idea of making the old Amur vice-royalty into a Far Eastern republic, a special zone in which the Marxian class-war would not be officially waged and capitalism would be permitted to rear its monstrous head.

The buffer state soon began to figure a good deal in the Chinese press, because nearly all the territory within this zone had once belonged to China and because the Chinese Eastern railway was still a Russian corridor running through Manchuria which might still be turned into a Russian colony. A Chinese mixed commission sent to write a report on the precise conditions, early reached the conclusion that not only was the cause of dynastic Russia for ever doomed, but that no régime other than one of brutal domination such as the Bolshevik exercised could possibly live among post-war Russians because they had lost their cohesion. Even as late as the summer of 1920, a good half year after that cold January day when

Kolchak was led out at Irkutsk and summarily shot, the remains of the intervention policy met the eye everywhere and disclosed its futility. At Vladivostock a mass of trains containing Czecho-Slovak troops stood on the sidings of Amur Bay, whilst slowly travelling through Manchuria at the rate of a few miles a day were the last armoured trains. All this was so plainly the dismal end of a stupid chapter that it seemed impossible that there should be people in the world who still believed that Imperial Russia, which had perished from incompetence and carelessness, could be brought to life again.

The Chinese, who probably of all people in the world are the least concerned about anything taking place beyond the limits of their own territory, had in 1919 and again in 1920 been surprised out of their indifference by a Bolshevik offer that seemed in curious contrast with what Soviet Russia was doing elsewhere. Briefly, Soviet Russia had offered to abolish all those things which had pressed on China in the past and had been imposed on her by Czarism, and for no other reason than that

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Soviet Russia loved China and wished to show her that the world republic had at last arrived. In return for formal Chinese recognition, Moscow proposed to give up the Boxer indemnity, the settlements in Chinese treaty ports, extraterritoriality and tariff restrictions, besides converting the Chinese Eastern railway into a purely commercial enterprise which China would be able to buy out entirely—not at once, of course, but in a future always slightly removed from any suggested date. This offer, which on the second occasion was made over the signature of Karakhan, then an assistant commissary of Foreign Affairs, was in such startling contrast to the blood and thunder of the European program, that the mystery was not solved until some years later when it transpired that a former Russian vice-consul from Shanghai, caught by the Bolsheviks and the Revolution, had purchased immunity by drafting this proposed pact which he guaranteed would not only be accepted by China but would end by turning the tables on the rest of the world.

The little war which raged around Peking in 1920, and which was distinguished by the

first emergence of Wu Pei-fu as a national figure, produced sufficient confusion to cause the Russian issue to be pigeonholed, but the Chinese Foreign Office presently began to receive a stream of telegrams in English from Kiachta, a trading station on the Mongolian-Siberian frontier, despatched by the head of a so-called Russian commercial commission, Yourin by name, alternately threatening and pleading for permission to enter Chinese territory and come to Peking. As it was advisable for China to act ahead of Japan in bowing to the inevitable, Yourin was given permission to come in a purely commercial capacity, and he immediately rushed across the desert of Gobi in a high-powered Cadillac car which had been left behind by the Allies in Siberia together with as much of the gold reserve of the Russian state treasury as he had been allotted and could carry in bars.

Yourin's initial efforts to create a political friendship between the two countries were not very successful, and he was soon sent home in disgrace for having spent too much money and failed to find the right formula. A *locum*

tenens held the post for a time, but in 1922 the Moscow government decided to use heavy artillery, and despatched to Peking a man who had figured prominently in many European negotiations and who was looked upon with apprehension in several capitals—Joffe.

Joffe's arrival certainly proved that China was about to become a major interest for Soviet Russia, and that no effort would be spared to win her over. Joffe was a very different man from what would have been expected from current accounts. Although still under 40 he looked an old man, having suffered terrible privations from prison treatment during the Czarist régime. It was a little difficult even for Chinese to find common ground with him, as a certain awkwardness could not fail to characterize contact with a man whom they dreaded. After the first shock, however, they found intercourse oddly stimulating, and listened full of wonder to the expounding of doctrines which declared that most of Europe's so-called political principles were merely inherited prejudices. In any case Joffe was a most extraordinary man: and when he was under the

influence of morphia, which he was forced to take for an obscure malady, his conversation threw a flood of light on contemporary history. He narrated to Peking officials the inside story of the Treaty of Brest-Litovsk, as he had been one of the principals in that negotiation, as well as the true facts regarding much of the then secret history of Central Europe. Removed by six thousand miles from the scene of these happenings, such stories sounded to the Chinese like veritable epic poems which perhaps might afford them guidance. The *intelligenzia* of the capital became so interested that a new Russo-Chinese group was formed which seemed to promise great things. Yet it was soon clear that the Russian revolutionary leaders were bitterly disappointed. Men of the stamp of Joffe believed that the Chinese character was too liquid to retain an impression of the revolutionary spirit for very long and that nothing would ever come of the efforts being made excepting temporary movements. Joffe, however, was not depressed by the difficulties of a situation which was principally characterized by its colourlessness. He de-

clared that he would yet conduct negotiations with China and Japan simultaneously, taking one set of negotiations in the morning and the other in the afternoon—a *tour de force* he was fortunately not called upon to perform. A meeting with Japan was indeed arranged at the Manchurian town of Changchun, which lasted nearly a month and broke down over the demand of the Japanese that the fortifications of Vladivostock be destroyed before the Japanese army evacuated the Siberian seaboard. Although Joffe later went to Tokyo and resumed his conversation with the Japanese government, the time was not ripe for an agreement and he finally returned to Russia empty-handed, leaving behind him, however, memoranda on Russo-Japanese relations and Russo-Chinese relations which for lucidity and accurate thinking have never been equalled.

The departure of Joffe was coincident with the arrival in the Far East of a man who was to become the *bête noir* of Peking diplomacy—Karakhan. Apparently even Bolsheviks are not immune from the ordinary frailties of mankind, for Joffe and Karakhan were so an-

tagonistic that Joffe, to avoid meeting his successor spent many weeks travelling round the semi-derelict Amur railway from Vladivostock to the Baikal province so that he would have a good excuse for missing him.

Karakhan arrived like the Greeks, with his hands full of gifts and was correspondingly feared. He gave Chang Tso-lin in Mukden a golden sword, studded with diamonds, which had been presumably removed from some art collection, as a proof of the eternal affection which Moscow cherished for the black-haired race. Nationalized gold watches were slipped into the pockets of the minor fry, and in an odour of baksheesh the man with the Oriental name journeyed to Peking. He had evidently determined on a different procedure from his predecessor. His diplomacy was to be of the open order, and he so multiplied his promises of fat things that a pro-Soviet school publicly and very proudly arose. University professors found him much to their liking and so did all the other radicals who believed in speeding up the solution of the Chinese question but who hitherto had not been given a chance to speak

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their minds. The astuteness he had shown from the very start in making it clear that he would recognize Manchuria as an autonomous state if Peking was not prepared to receive his advances in the proper spirit, assured him of his ultimate victory; and nine months later, in the spring of 1924, after a sensational all-night sitting he completed the treaty which some little time later secured Chinese recognition.

Recognition was the goal towards which all Soviet efforts had been directed. They knew that without a *de jure* position they could not count on being accepted seriously. Throughout Asia their whole status was being damaged because China and Japan had declined to admit that Soviet Russia was an organized state. Being outside the pale, Bolshevik arguments against other powers had been vitiated, even taking on the character of personal pique.

There was a last difficulty. So long as the Soviet representatives, in spite of the recognition which they had won, failed to obtain possession of the Russian government premises in the Legation quarter, so long was their position not one of complete authority. But after

a long wrangle with the powers as to whether they were entitled to resume possession because of the particular stipulations of the protocol of 1901, which had created a solid block of nations sheltered behind the walls of the fortified enclosure, and bound to a common policy, they succeeded in proving a point which was obvious to all who had not had a diplomatic training. They had always very particularly refrained from denouncing the Protocol of 1901, so as to be able to hoist, legally, the red flag which is adorned with the sickle and the hammer over a compound which contains the original ground where Orthodox priests established a chapel two centuries ago, at the beginning of the Manchu dynasty. They could point to their achievement as a victory as sensational as if they had breached the walls by assault, for there at last was the red flag impertinently flapping in the breeze between the Union Jack on one side and the Stars and Stripes on the other; and prepared to dispossess both flags of all their rights. Utilizing this vantage ground for further advances was child's play, particularly when Karakhan was able to substanti-

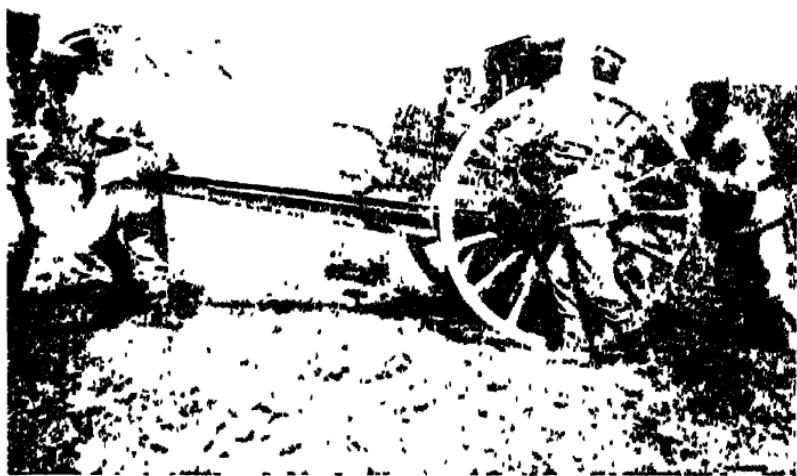
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ate his claim to the titular deanship of Peking diplomacy because he was the only ambassador in a corps of ministers plenipotentiary. Speaking from such a platform his voice became not only the voice of authority but the clarion notes of a prophet who foretold such vast changes in the fortunes of the Chinese people that even the great middle party, which does nothing but sit and wait, hoping for the best but always prepared for the worst, began to wonder if Sovietism was not really a thing of transcendent power.

The money power of the hammer and sickle as exemplified by this solitary embassy, if not transcendent, was certainly a challenge to capitalism because it was tireless and maintained valuable connections with many quarters which had been neglected by other nations. With the Soviet Embassy as headquarters, Reds of various nationalities daily carried on their propaganda by word of mouth or by pen and "deepened the revolution." Although exaggerated stories have been set in circulation regarding the all-pervasiveness of this work, there is no doubt that China has been the scene



The Soviet Ambassador Karakhan, photographed immediately prior to his sudden departure from Peking in September, 1925.



Above: Marshal Chang Tso-lin, of Manchuria.
Below: Bringing up a field gun: Shanhaikwan front.

of a maximum Bolshevik effort. Until these representatives of the Marxian state had appeared in force, no one—not even the Japanese who have thought of most things—had deemed it worth while to frequent the tea-houses and restaurants, and by daily conversations with the well dressed multitudes instil the idea that coming events cast a deep shadow before. The Chinese, past-masters themselves in the art of innuendo, were attracted by these unaccustomed attentions and their interest riveted. They had been given proof that from the vantage ground of the diplomatic quarter, Soviet agents were able to deal smashing blows at the policies of other powers; Karakhan, titular dean, publicly declaring that what had hitherto been preached as gospel was simply a perversion of the facts. His intimate relations with radical students and professors, which were specially contrived so as to give the seats of learning a political status and consideration they had not previously enjoyed, must have awakened alarm in the Government yamens; but the alarm was kept secret because the tide was in flood.

§ 2

Although official China was polite in the face of such blandishments it was only in Canton that a complete Red success seemed near. Joffe had already prepared the ground by a memorable series of conversations with the late Dr. Sun Yat-sen in Shanghai in 1923, when a reasoned explanation of the aims and objects of the Soviet state had so captured the Canton leader that he decided to admit a Chinese Communist party into the bosom of his own Kwomin Tang party. The committee system seemed to him a very agreeable system, particularly as it left all power in the hands of whoever was at once the most voluble and the most ingenious. Dr. Sun at once saw that this Russian doctrine, behind its high-sounding phrases, was primarily a weapon for acquiring what was essential to human success—Force. Imperialism and capitalism might be denounced because of their ancient and historic setting, but it was clear to the subtle Chinese mind that Sovietism took its stand on the same ground. It was force stated in factory terms because

that was a phraseology appropriate to the age. But fundamentally it was domination—domination based on an organization which seemed feasible even in unorganizable China—and that was its principal attraction to the Kwo-min Tang party, since South China for fourteen years had been vainly trying to oppose the armaments of the North with words and yet more words. The seed cast by Joffe had begun to sprout before Karakhan had become the man of the hour, and his keen eye did not fail to note the promising growth. Sun Yat-sen was too sick a man when he came to Peking to die in the spring of 1925 under the shadow of the Chinese Kremlin to whisper more than a few words, but those words were his political testament. It became a sacred duty to all his disciples to insure the apotheosis of one who claimed Lenin as his spiritual guide by bolshevising Canton as no other place in China. In one agent at the head of the Canton Soviet, Borodin by name, Moscow had a tower of strength, for the man was logical and daring and supplied what is always lacking in China—the technique of leadership. The

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rosy official reports sent home by him were listened to and acted upon. Red military instructors were sent to Canton and a Soviet institute arose in a cadets' college which because it had European discipline soon supplied a corps which was inevitably better than other corps. Opposed to those who now openly espoused the cause of Moscow in Canton, and called themselves Chinese Communists, was only the so-called Prince's party, the party of Sun Fo, the son of the dead Sun Yat-sen who had been mayor of Canton and had enriched himself and was therefore not popular. The Canton delta seemed conquered.

§ 3

Nevertheless when the explosion which followed the events of May 30th came in China it was as much a surprise to the Bolsheviks as to the rest of the world. The Soviet effort in five years had indeed passed through all the appointed stages and was becoming more or less stereotyped. There were not wanting cynics who declared that all the blood-red advocates

of revolution had really become anxious office-holders, full of intrigues against one another and more interested about retaining their positions and their easy life than in showing subject peoples how to spring to arms. Certainly the Russian, like the Chinese, is essentially a bureaucrat and a dawdler who lives in the future and does not welcome immediate action because all action is upsetting to his dreams. Soviet officials had been becoming more and more respectable, and therefore less inclined to love mob action. The social ostracism to which they had been for so long subjected has done its work. They were repenting. In China their proclaimed policy had become to preach not Bolshevism but anti-Imperialism and the end of the unequal treaties. The truth to tell the stuff that men swallowed in Europe was not very suitable for the Chinese people. With all men more or less equal and locked together by a highly-developed guild system which had used syndicalism as a weapon for more than 2,000 years, the adherents of Karl Marx were at a serious disadvantage. They had indeed nothing to

offer the Chinese in place of the class-war except the battle against Imperialism and the unequal treaties, and even here they had to tread gingerly as their action in Mongolia was Japanese in its thoroughness, resembling nothing so much as the step-by-step process which had resulted in the annexation of Korea.

The Chinese nationalist campaign, which was virulent and burning because it drew nothing from the past excepting race hatred, was not their plan: they may have reinforced it, but they certainly did not originate it. The utilization of student bodies and labour unions by their agitators was an obvious way of winning the appearance of leadership; but although China had been marked down for an intensive campaign in 1925 and numbers of special service men had been despatched from Moscow, the actual explosion was not due to their influence, being generated by spontaneous combustion due to the special psychology of the Chinese and to several distinct groups of Chinese leaders exploiting the situation for their own ends. Beyond contributing a million or two of dollars to strike funds and dis-

tributing millions of pamphlets and leaflets, full of arguments which made educated Chinese smile, the Soviet agents have done nothing of importance except to accentuate unrest. Their Communist "cells" had only been an advertisement to the world of the existence of the Third International, and not a working force. It is in China's outer territories rather than in the heart of the country that they have made very distinct progress in 1925. It is this that must be carefully marked down as Moscow's chief political gain. In Outer Mongolia, which is geographically the same region as Trans-Baikalia, they have now so entrenched themselves by using Russified Buriats that the capital city of Urga is to-day nothing but a Soviet seat. It is directed from Chita which was originally the capital of the transitory buffer state and which retains its regional committee, called the Far Eastern Revolutionary Committee, or "Dal-Ref-Kom." The linking-up of the whole region of Outer Mongolia by means of a Chita-Urga Railway which has already been decided upon, will make the true Russo-Chinese frontier the town of Udde, now

a gasoline depot, 300 miles from Kalgan, on the motor highway between the region of the Great Wall and the Siberian borderlands. The Young Mongol party, with whom the Soviet government have allied themselves, is not only in power but has taken up with ardour the militarization scheme prepared for them in Moscow. All Young Mongols are now being passed through a military training so that within a year the Mongolian Soviets will possess a mobile force of from thirty or forty thousand men, a serious enough factor in any conflict which may arise beyond Lake Baikal. The proximity of Mongolia to Peking and the fact that the barrier region from Kalgan to Kansu—a stretch of one thousand miles—is in the hands of Feng Yü-hsiang, are factors in coming history which cannot be ignored; for the Christian general, like the Whampoa Military Academy of Canton, has Red military instructors and is sending many young officers to Moscow while the ammunition road to Russia is wide open night and day and is crowded with his motor trucks. Manchuria in Chang Tso-lin's hands is the only thorn in the side of

Bolshevism and China's only defence against a growing military and political envelopment.

The White Officers and instructors who have been in Chang Tso-lin's employment for years, and his Russian legion, are not sufficient to account for what amounts to an obsession with this dogged Chinese self-made man. No Czarist dreaming of a restoration in Russia could be more bitter than Chang Tso-lin about the Soviet rule, not because he has studied their principles, but because he believes them to be treacherous and unscrupulous and ready to stab him in the back the moment they dare. He recognizes that his dominion will be dissipated overnight if the Manchurian population becomes infected with the spirit of Communist revolt. For him there is a real peril. His territory is impinged upon both in the west and in the east by the Red belt—not to speak of the Amur River, while the Chinese Eastern Railway, in its thousand-mile course through the heart of his country, gives an easy road for the invasion of subversive ideas, a road which he himself was forced to open by a special Soviet Manchurian railway convention when he

was struggling to the death with Wu Pei-fu.

It is from this special convention, confirming what had previously been done by Peking in the succession of the Soviet government to the old Czarist rights in the railway, that much of Chang Tso-lin's present hatred springs. He was sufficiently astute to annex to the railway agreement of September, 1924, an arms understanding with Soviet Russia—in what precise form remains undisclosed, but an understanding which protected his rear during the Shanhaikwan battle and secured that the Red Army would not advance. The arms understanding, which was allowed to lie dormant until the spring of 1925 when he determined that the time had come for dealing with the unliquidated position around Peking, was invoked by him only to result in an open rebuff; Karakhan declared that it was only a promise to be redeemed in certain eventualities which had never arisen, and that the Soviet government declined to keep it now that their friends were in power in the vicinity of Peking and that any arms supplied might be used against them.

This refusal had important political consequences and must be carefully put in its proper place in the march of events in 1925. It so enraged the Manchurian war-lord since part of his equipment was Russian, and since without fresh supplies of ammunition and rifles he could not face a new campaign, that without delay he sent for the Japanese Consul-General in Mukden and told him that he had decided to commence at once the construction of the Taonanfu-Tsitsihar Railway with Japan's financial assistance, as that would drive a wedge right into the Russian sphere in northern Manchuria and be indeed an arrow aimed at the heart of Soviet communications with the Far East. At the same time he sent for the British and American Consul-Generals and declared that if he were given the necessary financial support, as well as facilities for obtaining munitions, he would at once eliminate Bolshevik influence in China. Had this offer been accepted (it was made in March) there would never have been any May 30th in China, for whatever his shortcomings Chang Tso-lin keeps his word and prosecutes any plan

he undertakes with energy and resolution—and he would have struck with all his strength had he been backed by the English-speaking powers.

The geographical position of Manchuria is an earnest that a struggle between two irreconcilable elements cannot be indefinitely delayed. Sooner or later the Reds and the Kwo-min Tang party are destined to be assaulted all over China in the same way as the Manchus were in 1911. That their power rests on no more solid a basis than that of the adherents of the unfortunate dynasty which so dramatically disappeared fifteen years ago is a self-evident proposition. That such a struggle cannot be localized and will spread, possibly to Korea, prompts the Japanese constantly to advise Chang Tso-lin to practise caution and delay. The upshot would seem to be that either there must be a complete reversal in China, as in Europe, of the Russian agitation policy accompanied by the expulsion of all Moscow agents, or else a trial of strength along the borderlands of these two vast nations as well as massacres conducted in the small “pockets” of

pseudo-Communism. Such a struggle, however, will tend to repeat the Russo-Chinese history of the seventeenth century when hostilities were dragged out indefinitely and resulted in agreements almost as unsatisfactory in their operation as a state of active warfare.

CHAPTER IV

THE STUDENTS AND THE SPIRIT OF THE PEOPLE

§ 1

In any consideration of the present mood of the Chinese people no clear conception can be obtained of the peculiar function of another element—the Students—unless a prime essential is set down in the centre of the picture. It is this:

Inactivity is the bed-rock of the nation and the only explanation of the apparent violence of its reactions whenever it is forced to move.

By inactivity is meant the sort of spiritual apathy which springs from unvarying conditions. Chinese life moves with a massive rhythm in such strict accordance with the seasons, that everything not connected with the increase of the fields is counted as superficial and transitory and not possessing the characteristics of permanence. Credit and

money, which are the true measures of a nation's energy, are still entirely governed by the old settling days, which in turn are based on the agricultural calendar and the completion of each harvest. With eighty per cent of the population engaged in agriculture or in the movement of crops, the purely localized movements of great cities would not affect the general body of the people, or in any way influence their outlook, were it not for the fact that intimidation has spread its evil influence along the railways and through the great chain of steam-shipping. Bitter experience has taught men that no protecting hand can be invoked under the Republic to ward off the popular penalties imposed on all who become marked men. Strikes and boycotts bring bad times, and although the nation is self-contained and self-sufficient and only craves one thing—freedom from taxation—there is no group that dares to tell the agitators that what they preach is false. What is to-day bringing anxiety and perturbation is not the city and factory agitation against foreign rights but the constantly increasing and vexatious taxation of all prod-

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ucts, together with a system of licensing every imaginable thing which seems to simple minds the symbol of China's undefined status. Spreading from the country districts into the towns, this resentment and unrest existed long prior to 1925 and was an important factor. It seemed to prove to the Chinese people that something deeper than mere misgovernment was responsible for the constant turning of the screw: and it pointed to external factors not connected with the country as the sovereign culprits. It is only by bearing these facts in mind that a proper view can be had of the student agitation.

§ 2

Modern China committed the error of placing the seats of the new learning in the heart of her capital cities, thus tending to make her universities under the loose republican régime centres of perpetual uproar and disaffection. In the old days the higher learning was pursued in the quiet of one's own home, the provincial and national capitals sheltering the ex-



The Peking demonstrations. Thousands of girl students are in the marching columns.



Men students marching with banners in the Peking student demonstrations of June, 1925.



The admission of the British police inspector in the Shanghai Mixed Court that the standing order in extreme necessity was "shoot to kill" brought out these posters in countless thousands.

amining bodies, who conducted the state examinations at which it was essential to succeed in order to enter official life. While it is recorded in the T'ang dynasty that as many as 8,000 students studied together in the capital, nothing like the present system has ever existed before in China. In Peking alone there are more than forty colleges and higher schools with no less than 20,000 students. A scheme has now been worked out whereby these youths can be mobilized over night, filling the streets with endless marching columns, which are concentrated at certain points, and alarming the population with their savage cries. That it will be necessary to remove every institution of higher learning far out into the country as a police measure is now admitted. No government can carry on its work when students are used as a screen behind which to menace the administration.

The moral authority reinforcing what at first sight appears to be nothing but scholastic rowdyism is peculiarly derived. The public breakdown of the old civilization after the Boxer outbreak, and the reluctant decision of

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the fathers of the nation to abandon the teaching and culture of three thousand years and substitute the learning of the West, imposed a far greater strain on the national life and character than has been realized. In classical China no clear line of demarcation could be drawn between government and learning. This is only another way of saying that the moral government of the Chinese was as much in the hands of the literati and scholars as in that of the local and metropolitan officials who, as representatives of the Emperor, were most concerned in securing peace and quiet by a rigid adherence to the principles laid down in the classics and insisted upon by all men of learning. Scholarship had rights more precious indeed than the rights of the tax-collectors. How far the revolution of 1911 and the collapse of Imperial authority was due to a too hasty abandonment of the old learning cannot yet be judged, but that it played a powerful rôle in hastening revolt cannot be denied. In spite of the financial embarrassments under the Republic, by means of educational associations and societies, some of

which are powerful and wealthy, the organization of the new schools throughout China has been very rapid. While tens of millions of children grow up every year completely illiterate, the middle school and university have thrived mightily, bringing with their spread a so-called renaissance movement, or simplified writing and composition and thereby making it possible for countless thousands to acquire a knowledge of things that were not suspected a quarter of a century ago.

The spirit of dissatisfaction and contempt for old restraints has been intensified by all these things. In China to-day exactly the same conditions exist in regard to higher education as existed in Czarist Russia:—it is unlimited and far too cheap. The privileges provided by the otherwise poverty-stricken state are indeed so great that a number out of all proportion to the requirements is being educated to discontent and agitation. The industrial and material organization of the nation is inadequate to absorb one half of those who are passed out of the schools annually. Furthermore the easy conditions in the colleges create

a spirit of unruliness which is without parallel in any other part of the world. The students often decide what their course of studies are to be and who is to teach them, unpopular professors being driven out by strikes which have never been properly checked. The examinations lead to conflict and agitation, an atavistic tendency, no doubt, making the young men believe that as in the old days all who fail in the ordeal will go down to the grave in dishonour. This survival of the idea which dominated the old Imperial examinations is one of the most curious features of the hour.

There have been other features equally unique. The activity of the Young Men's Christian Association in China has been entirely different from what it has been in other countries. Instead of being solely concerned with the moral welfare of the young man, ever since the foreign secretaries began to hand over control to Chinese committees, these committees have become concerned with political education and agitation and have fanned the flame of discontent. Many of the most merciless speakers of the day are former Y. M.

C. A. secretaries who never lose an opportunity of advocating root-and-branch methods which lead down the broad road to anarchy. The encouragement given by foreign supporters can only be excused on the ground that what is taking place has been misrepresented to them. So-called Christian colleges have likewise become hot-beds for political propaganda, arousing grave apprehension as to whether it is possible to apply so-called Christian methods to education in Asia, without bringing forth a strange new bloom of Bolshevism.

While all these things have been long in the making, it required the existence of certain conditions glaringly to advertise them. In 1919 Chinese students marched on to the national stage and suddenly assumed a character which no one had hitherto suspected during the period when the Paris Peace Conference was sitting, by proceeding in columns of four, with banners flying, and setting fire to the residence of a Cabinet Minister who had been guilty of making unpopular loans with Japan. The crowds of rabble they attracted and the immense sensation produced by this act, gave

them an inkling of their power. The national approval they won certainly confirmed them in their determination to prosecute a policy of direct action. Small bands of them in both Paris (1919) and Washington (1921) succeeded in imposing their will, unknown to the world, on their own weak-kneed delegations, in the first instance preventing the signature of the Shantung Treaty, and in the second instance forcing the re-opening of that issue. When they commenced denouncing the military party as the author of all China's ills, they had behind them the silent support of all who were too timid to speak. Encouraged in their lack of discipline by the anarchy around them, ever since the *coup d'état* of 1924 and the re-labelling of the Christian general's army as the Citizens' Army, they have allied themselves with political elements aiming at direct control of the state. These political elements, while composed of very different groups—ranging from pseudo-Communists dreaming of open affiliation with Moscow to Christian zealots whose souls are twisted by the violence of the struggle between their hearts and their

heads—feel that the long-standing national humiliation can only be removed by expunging from the records every treaty dating from the Manchu dynasty.

Thus has it happened that the student movement, which was originally concerned with the chastisement of corrupt officials and with opposition to militarism, had followed the line of least resistance and become principally concerned with foreign policy and foreign rights, because opposing the foreigners seemed to yield the best results. Winning the support of all office-holders because these men know that by deflecting the popular irritation into other channels they secure themselves against attack in precisely the same way that the Manchus did with the Boxer movement, they have been able to dictate to the government in a way which would have been incredible five years ago. For there exists to-day, to justify the anti-foreign stand, what is called in the language of psycho-analysis the inferiority complex. This sense of being placed in an inferior position has become so strong among the Chinese people that Wu Pei-fu, the de-

feated war-lord, is reported to have said bitterly, "There is no arguing whether we are inferior or not. Our actions towards one another prove it. This is what western nations know."

The students, being the most articulate portion of the nation, have then made China's inferior international position their battle-cry, but the immediate origin of the Shanghai tragedy is a complicated story which runs as follows.

§ 3

In the spring of 1925 a new and vigorous Minister of Education had brought up in Peking the prospect of stiff examinations with a weeding-out of all undesirables. A considerable agitation in the educational world was the result, the radical groups desiring to retain the colleges as agitation centres and fearing that the mass of the students, being at heart law-abiding youths, would cease to be responsive if the voice of authority was heard in no uncertain accents. Consequently it was decided

to demonstrate to the whole nation that the claims of nationalism was the supreme business of the hour—and that nothing could be allowed to interfere with the political renaissance which was the dream of the class-rooms. The anniversary of the Japanese ultimatum over the Twenty-One Demands (of 1915) was chosen as the test.

Humiliation Day, as the 7th of May is still called, had previously been the signal for nation-wide demonstrations: but the metropolitan police authorities on this occasion, being anxious about the peace of the city, arranged a mass police parade where the demonstration was to start—in the vast enclosure at the entrance to the winter palace. When the students saw that they had been foiled, a number proceeded to the residence of the Minister of Education and wrecked it, coming into collision with the police and suffering casualties. Two days later they turned out in great force, marching in dense columns of four and filling the city with blood-curdling cries which demanded the punishment of the educational and police authorities. The method adopted is pe-

cularly suited to work up a Chinese mob. The group leaders lead off with cries which are taken up by each separate column, the constant repetition of certain watch-words exercising a hypnotic influence on the crowds for whom these marching men and banners become living placards picturing the wrath of the nation and reducing the guardians of the peace to complete powerlessness.

The agitation spread. The students' union, in constant communication with similar bodies elsewhere, advised the use of their methods because they riveted attention and aroused the multitude. Well before the fatal affray of May 30th in Shanghai there was the commencement of a far-reaching agitation owing to mill troubles in Tsingtao and elsewhere, the newspapers beginning to feature unrest and to declare that it would have consequences. The idea to support all who needed help in the fight against foreign interests was so heartily approved that even had there been no firing on the part of the Shanghai police on May 30th something of a drastic character would have occurred at a later date, the essence of the Chi-

nese political movement being the public clash which focuses attention.

The official timidity shown in Peking all through the month of May was an added incentive. The mood of the hour was so embittered and the official support being given to the Nationalist party so public, that the Students' Union would have been less than human had they not responded. Without hesitation they sent appeals to all groups to support the workmen in the mill strikes and to commence public speaking. As a matter of history, then, it should be noted that the train of events set in motion in Shanghai was directly started by orders sent from Peking—and that without the Peking Students' Union there would have been a different sequence of events. In acting as they did the students were commencing a movement running parallel to the Communist attempts: but their action was ten times as effective because it was genuinely Chinese and indifferent regarding outside support. Much of the fury which followed the Shanghai shooting arose from the fact that the Peking students felt guilty of having advised a course of

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action which resulted in the death or wounding of fellow students; and tried to exonerate themselves by this method. Had the action in Shanghai been spontaneous and not dictated, it would never have had such an aftermath. As it was, the parallel movements of foreign Communism and Chinese nationalism were suddenly joined, and, like the guilty lovers in Dante's Inferno, were condemned to journey to the end bound together.

The fury showed itself in Peking in a series of the student demonstrations round the walls of the Legation quarter, the only parallel being possibly the action of Joshua and his tribes round the walls of Jericho, although that appears to have had greater results. The government of China, owing to its own embarrassments, was not in a position to realize the nature of the affront offered. For several hours dense marching columns, shouting "destroy the British and Japanese bandits" and similar abusive cries, demonstrated and sought to rush the entrances. All through the summer these disorderly scenes were accompanied by a placarding of the capital in a manner which else-

where would have led to a rupture of diplomatic relations. It was not until stern measures taken elsewhere by Chang Tso-lin afforded a humiliating contrast with the laxity in Peking that official orders magically quelled the storm.

But how was it possible, people may enquire, for young men in schools and colleges suddenly to acquire such an overwhelming domination over government as well as over semi-illiterate workmen so that tens of thousands downed their tools and obeyed a summons which they could not reasonably understand? The answer is as peculiar as the rest. Chinese are very susceptible to suggestion. The presentation of the same idea to large numbers of people at all hours of the day and night all over the country creates the feeling that an irresistible impulse is sweeping over the nation which it will be ill to oppose. That the students would have had no such success had there not been a large measure of secret official support, inciting them to assume the rôle of national agents, is certain. But that is not everything. Able to pose as martyrs, owing

to the shooting of a small number in Shanghai, they joined to this new rôle an organization and an energy quite new in China, since they had learned the value of such methods from foreign books and were able, owing to their numbers, to touch countless places simultaneously. Intimidation carried out in the dozens of new ways which foreign facilities give, such as by telegraph, by telephone, through the post office and the newspaper, added to the force of other measures, and created the illusion of a united national front.

What then is to be the future of a movement which strikes at the very existence of law and order, and which has about it that quality of sacrifice and martyrdom which has always powerfully affected Asiatic minds? Few would care to answer. It is generally accepted, however, that the students at least have shown a courage which is nearly always lacking in their officials. They have certainly carried out a mass education such as no other agency could have performed; for there is hardly a soul to-day among the four hundred millions who has not heard something of the

doings of the summer of 1925 and who has not felt a faint stirring of patriotism.

It does not, however, need a prophet to foretell that not easily will the colleges be able to win again the same ascendancy. The movement, to be successful, demanded the precise conditions which then existed, namely, a government committed to nominal rule because it had been put in office by two military rivals to represent the sovereignty of the nation during an interim period: a grouping of foreign interests of a discordant character: a rise in prices unparalleled except in times of war: and Soviet Russia in the background promising, threatening, paying. These conditions will never be present again. By fair means or foul the government in China is bound to become a different quantity, and fall more into the hands of those who will be prepared to exercise authority without fear of the consequences. The world situation is also not likely to be so parlous as it has been: and the mood of indecision and embarrassment will thus disappear, both within the country and without. The adjustment in treaty commit-

ments will inevitably bring an improvement which will cause agitators to be looked upon as unreasonable and isolate them from public sympathy. Still the lack of similarity between the semi-Europeanized urban type of Chinese, and the agricultural population from which the vast mass of semi-skilled and unskilled labour is drawn, will tend to make sudden storms henceforth impossible. Machinery to deal with these conditions must be created: it is a well authenticated fact that you can do anything with any mass of Chinese if you are prepared to meet the situation at its inception, and nothing with them if the occasional madness which their peculiar nervous mechanism invites is allowed full sway.

The problem of China is largely pathological, and very slightly political. The most outstanding successes in Chinese history have been men who have entered into the shifting circumstances of the day and made provision for them in a way the Chinese mind appreciates. This was the secret of the old type of Chinese education which was after all based on principles which were understood and which

preached reasonable compromise. The things against which the students have so passionately declaimed are bad only because they have not been brought up-to-date. The problem for Westerners is to discover the exact stage which China has reached and then to adjust the external to the internal. It is, of course, vain to suppose that the complete rendition of all foreign rights, such as Soviet Russia has nominally made would bring improvement. It would simply lead to an extension of the struggle into channels which have hitherto been kept protected from violence, besides bringing a general deterioration to the national life and crushing education into the mud. Because the people are much tamer than Westerners and their lives in ordinary times run much more placidly, their excesses are all the more glaring.

If Chinese educationalists have been at fault in advocating radical measures ill-suited to the genius of the people and calculated to keep the student body in uproar, foreign educationalists have been equally to blame. Many American missionaries have acquired an un-

fortunate notoriety in this respect which has made their fellow-countrymen engaged in trade recognize them as an evil which should be restrained. It is monstrous to ruin youths by teaching them doctrines which are only valid if they are based on a ground-work alien to Chinese character and tradition. To find that Christianity should in recent months have become in China a synonym for Bolshevism is surely a supreme irony. The Chinese of the new generation have lost much of what they previously possessed: for in place of the moral excellence of the old learning there is nothing except an attempt at creating a harsh-toned mob-voice. The scholars who were once learned in the classics are no more, and the courtyards of the Confucian temples which are decorated with the mortuary tablets of all the sages of the country stand deserted. The names of all who have passed with honours the great state examinations ever since the Yuan dynasty of a thousand years ago are still recorded there in stone but what honourable record has been written since the Republic came in 1912? It has been inevitable perhaps that

men who have no temples should find their refuge on the streets. But although it may be inevitable, it is the bounden duty of all who are wiser, because more detached from the problem of nationalism than the native-born, to lead the truants back to where they belong and not to turn education into a form of organized hooliganism—which will undermine all confidence in the sanity of the race. Foreigners in China have reason to feel bitter with many Western educationalists who have encouraged young Chinese to a line of conduct leading to race-war. The time cannot be far-off when foreign governments will be forced to take cognizance of the evil and remove those who poison the water at its spring.

CHAPTER V

THE MIRROR OF THE CHINESE PRESS

§ 1

Into this maelstrom of passions has been unloosed the vernacular press. Denounced by foreigners for what has seemed to them an unparalleled mendacity, every event being distorted out of recognition, it may be remarked that the Chinese press is only carrying on the work it inherited when it superseded the placard. The history of the placard in China is one of the most curious footnotes on the Chinese race: for the placard was the Chinese broadsheet when the newspaper was unknown, and only came into action when the inherent inactivity of the people had to be attacked. The story told by the placards through a hundred years of Chinese history is an anti-foreign story: for from the days of the Canton factories it was the public weapon of the scholars and gentry when they dissented from

official acts, and the first warning to foreigners that there was blood on the angry sky. A dynasty has fallen since then but the heart of the nation has not changed. It can only be quickened to great massed efforts by appeals to passion. The conflict which has raged has been pictured in the popular mind not as a trial of strength, but as a barbarian assault coming from abroad and permitting everything to be said and done which promotes the cause of victory. If the British could be made out sufficiently barbarous and hateful: if their whole history could be presented in such form that the quality of their brutality would be fittingly contrasted with the gentleness of China, then victory would come by the act of God, and from the volition of the earth. That was the reasoning of the Chinese press.

Everything has served to arouse hatred. The fact that the principal telegraphic and news agencies in China are directed by foreigners, who interpret events in the light of their own interests and who cannot naturally uphold extreme nationalism, has added fuel to the flames. The new class of Chinese, who

know the English language as well as Chinese, if not better, have not been slow to point out that they have been subjected to a régime of news designed to complete their enslavement, and that the time has arrived when they must decline to take their opinions as well as their facts from foreigners. Unable, however, for financial and political reasons to organize anything in the nature of a national news service, the newspapers have limited themselves to propaganda work and to expanding the briefest messages into vast denunciations in which verified information is conspicuous by its absence. Being, like the Japanese, incapable of recording elaborately and accurately a whole train of events, their perception and reasoning powers not being equal to that of Europeans, Chinese journalists have not added to their reputation, there being no single man to-day among those regularly employed who would rank elsewhere as anything but a very second-rate writer.

Nevertheless the Chinese press has greatly increased its power during recent years, mainly because circulations have begun to

mount and because those who nominally exercise authority in China are easily intimidated by public attacks, and pay great attention to criticism. The ordinary Chinese citizen reads with singular satisfaction belittling remarks about well-known personages, a condition not unknown in Europe and America, the standing of a newspaper in China being largely determined by whether it dares to speak out or not. The Chinese press is, therefore, by deliberate choice a yellow press, indulging freely in calumnies and being punished from time to time by the imprisonment and, more rarely, the execution of an editor. Such summary treatment, however, brings no improvement. Rival newspapers are indeed inclined to sneer at the journalist who is clumsy enough to be caught, the military execution of an editor arousing less attention than football or racing results in the western world. No real progress can be expected so long as this condition remains. Journalism in China is still considered a semi-disreputable occupation, being classed by the police with barber-shops and bathhouses, neither of which are looked

upon as sufficiently respectable or permanent activities to allow of the proprietors giving what are known as "shop guarantees" or securities for bail, etc.

Yet that the daily press must sooner or later become a great power for good in China cannot be denied. It will ultimately correspond to the general characteristics of the Chinese people which are pacific and well intentioned. The nation is not likely to be long poisoned by ideas which have come from abroad or by something which has been propagated by the disturbed conditions of life in the cities. Already some of the bigger newspapers have departments to interest each section of the community, displaying much ingenuity and humour in their non-political pages and being full of excellent stories and amusing anecdotes. Accurate news and telegrams from abroad, supplied by world-wide agencies, appear just as incongruous in this setting as they would be if mixed with Chaucer's Tales. Such chronicling is, in fact, not so much centuries ahead of the mental outlook of the average citizen as based on

things totally unrelated to Chinese life. The ordinary Chinese, while intelligent and reasonable about his daily routine, belongs to another planet so far as the highly articulated civilization of the West is concerned. Chinese politics, for instance, can only be discussed in Chinese, even an accurate translation not conveying the real meaning or giving anything like a clear indication of the issue. This is one of the tragedies of the present situation: the thought and promptings of one civilization have no meaning or reality for the other civilization, each appearing as a travesty to the rival, and each being apparently equally unreasonable and unfair. Suffering from cheapness as much as from anything else, because the standard of living is so low, the Chinese press must await a higher standard among the people before it can be great. The printing and paper are bad, much worse even than in Japan where the growth of advertising has provided newspaper proprietors with great revenues and splendid modern printing machinery. In China the small flat-bed press still rules the printing-house, while advertising

is not more advanced than in Italy or Spain. This means that the Chinese press is in the main a subsidized press, the support of a daily newspaper being counted a necessary adjunct to power. Droll stories are told of the tricks played by Chinese journalists on great men whose knowledge of the press is abysmal. These enterprising slaves of the pen will contract to produce a daily newspaper for a fixed rate. Then, by arrangement with a printing-house that prints many newspapers, the new organ will appear overnight by the simple means of slipping a new block on to the title-page of another paper and printing off a dozen copies which are sent to the "proprietor." This is taken not as a liberty but as a brotherly act among journalists and is constantly done.

§ 2

Yet from the days of twenty years ago, when a Shanghai daily had the audacity to call the famous old Empress Dowager and all her Manchu clan descendants of a cattle-

stealing tribe, and thus gave newspapers an enormous advertisement, the press has entirely changed its relationship to the nation. In spite of its faults, it is roughly in the position of the English and American newspapers of 1870 or 1880, and certainly has as much liberty and influence as the Continental press. It is true that it is rather formless, being a speaking illustration of the difficulty of fitting on to an essentially formal society a totally alien conception. The only really important news in China is government news and appointments, the rest being embroidery, propaganda and speculation. Consequently the press laws have been directed towards curbing a liberty that is interpreted as license. The responsible "publisher and printer" is the so-called manager of a newspaper who is registered with the police and whose person is immediately seized when there is trouble. While the police in each city have a list of the editors, these are looked upon as mere assistants of the manager, the Chinese mind being unable to look upon the newspaper as anything different from a shop or a store—which is what some

up which finds it smart to be semi-foreignized, cynical and irreverent regarding the past, and interested in chatter oddly resembling the potted paragraphs of the cheap press elsewhere.

A press that is in this peculiar condition has dealt with the outburst of nationalism which followed the Shanghai shooting in a way which can be better imagined than described. Every restraint has been cast to the winds. Revelling at last in an opportunity such as had never been afforded before, an attack has been developed all along the line which, dispassionately considered, affords an interesting insight into the mentality of the writers. Evidently force is still greatly feared in China, the use of fire-arms against the civil population being looked upon in something of the same spirit which Chevalier Bayard is said to have felt towards the musketeers of his day, ordering the instant execution of all such prisoners in spite of his vaunted chivalry. That fire-arms should be considered by Chinese as cruel as poison-gas was considered by Europeans in 1914 may seem strange in view of the

equipping of the Chinese army with modern weapons and the extent to which civil wars have raged under the Republic. Still it appears to be a fact that firing on an unarmed crowd is looked upon much as bombing it from the air would be to-day in Western countries—although in 50 years this may have become a common practice. It is a noticeable fact that in Japan where there have been constant clashes between the police and the mob since the Russo-Japanese War, in no case has any weapon but the sword been used. Although it may sound ridiculous, undoubtedly it has been the use of explosives rather than the actual manslaughter which has been seized upon as brutal, the idea that you shoot to kill rather than to wound or frighten away being castigated as a perfect example of the brutality of the British. This is one of the interesting side-lights which close examination of contemporary newspapers discloses.

Sincerity is the word most constantly used by the Chinese press—particularly in political discussions. This in itself is a very important revelation. For the implication is that the na-

tion is too simple-minded and unequipped to defend itself against the political unscrupulousness with which it is surrounded: and that unless there is open-heartedness on the part of neighbouring nations all will be lost. The national struggle as seen by Chinese eyes is quite different from what the world sees: China is the lamb and the world the cruel wolf. A good illustration of this simple-mindedness is supplied by quoting a typical article written on the eve of the recent departure from Peking of the Soviet Ambassador, Karakhan, of which the following is a free translation:—

The Sino-Russian Conference should have opened long ago, but on account of the insincerity of Mr. Karakhan, the Soviet Ambassador, who offered various excuses for the postponement of the negotiations, the Conference has not yet taken place although more than a year has already elapsed since the ratification of the Sino-Russian Agreement on General Principles. On the eve of his departure, however, and when Dr. C. T. Wang, Director of the Sino-Russian Conference, was absent from Peking, Mr. Karakhan suddenly addressed a note to the



Crude cartoons posted on the gates of the capital showing armed British, and Chinese corpses lying in pools of blood.

THE STUDENT MOVEMENT

IS

NOT Bolshevik

NOT Anti Christian

NOT Anti Foreign

BUT CRY FOR HUMANITY

THE STUDENT MOVEMENT

IS

NOT Bolshevik

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NOT Anti Foreign

BUT CRY FOR HUMANITY

Type of posters in English which plastered Peking immediately after the shooting in Shanghai.

W
WE DEMAND THE ABOLITION OF ALL UNEQUAL TREATIES
WE DEMAND THE PUNISHMENT OF THE COLLUSERS
WE DEMAND THE INTEGRITY OF THE VICTORY
WE DEMAND PROPORTION OF THE MIXED COURT
WE DEMAND THE RETURN OF THE ENGLISH AND JAPANESE CONCESSIONS
WE DEMAND TARIFF AUTONOMY
WE DEMAND ABOILITION OF ALL UNEQUAL TREATIES

PEKING NATIONAL NORMAL UNIVERSITY.

Posters of this type were to be seen
everywhere.

Waichiao Pu requesting that the Conference be opened before his departure. It is an open secret that it was the opinion of the Soviet Ambassador that as Dr. C. T. Wang was not in Peking and that he could not return to the Capital at such short notice, the Chinese Government could not have the Conference opened promptly as requested by him. That being the case Mr. Karakhan would be able to lay the blame for the delay in the opening of the Conference at the door of the Chinese Government.

However, contrary to expectation, Dr. C. T. Wang returned to Peking as soon as he received the telegram from the government, actually arriving a day before the departure of the Soviet Ambassador. As he saw that Dr. Wang had managed to return and had called on him, asking that a date be fixed for the opening of the Conference, Mr. Karakhan suddenly changed his attitude and informed Dr. Wang that he could not fix the date since he had not received any instructions from Moscow in this connection. It was only after Dr. Wang had insisted upon the opening of the Conference before his departure that the Soviet Ambassador, with great reluctance, agreed to have the Conference formally inaugurated on Wednesday, that is, one day before his departure for Moscow.

We had been under the belief that Soviet Russia

was one of China's friends, and on more than one occasion we have advocated the early resumption of diplomatic relations between China and Russia. However, after the signing of the Sino-Russian Agreement on General Principles the attitude of Soviet Russia suddenly changed to the great disappointment of the Chinese. The attitude adopted by the Soviet government regarding the questions concerning the right of navigation on the Sungari River, and the question of the retrocession of Outer Mongolia to China was just as Imperialistic as that of any other Power. They even went so far as to arrest Chinese citizens in Moscow despite the protests of the Chinese Legation.

The Sino-Russian Conference is a matter of prime importance. At first Mr. Karakhan declined on various grounds to open the Conference. But taking advantage of the absence of Dr. C. T. Wang he suddenly approached the Government asking for its early inauguration. And when Dr. Wang returned in response to Mr. Karakhan's request, the latter again altered his stand and advanced a lame excuse that he had not received instructions from the Government. From this it is quite clear that the Soviet Ambassador is not sincere at all in having the Conference opened, which case even though

the Conference is actually opened China will not be benefited by it. In view of the attitude of Mr. Karakhan, we cannot help regarding the outlook for the Sino-Russian Conference with pessimism.

Now the metropolitan newspaper from which this expression of opinion has been taken occupies a position similar to *The Times* or *The Daily Telegraph* of London or *The World* or *The New York Times* in New York. The entire argument is taken up with childish points, childishly expressed and childishly repeated and principally concerned with vague speculations, which in politically mature countries would be dismissed in a brief paragraph. The interesting things are either barely touched upon or not considered at all. This is why it is comparatively easy either in business or politics for Westerners to "think ahead" of Chinese, who in a restricted field can show subtlety but who in broad modern business are completely at sea. Machiavelli has enjoyed a great renown for some centuries as the acme of political cunning: but anyone who has read "The Prince" attentively must

admit that his tricks are transparently the product of days when men's brains were crude and unenlightened. Chinese writers at their best have the Machiavellian touch: at their worst they are beneath criticism.

One of the things that throws a flood of light on contemporary publicity is the casual and inconsequential way in which newspapers are started in China. A few friends gather together and declare that the situation certainly demands a corrective in the form of a new organ which will adequately present to the public the need for action in a given direction. Provided the initial capital can be found (and it may be remarked that capital can always be found for almost anything new in China, and nothing for upkeep), the new organ is launched in a few days. It is not necessary to have your own plant as there are plenty of printing establishments that specialize in producing these mushroom publications. The main thing is to collect an editorial staff whose powers are suited to the work in hand. There is practically no planning for the future, or no detailed considera-

tions of questions which bring grey hairs to Western publishers. The main and only consideration is to get your paper quickly on the market, together with a large measure of support in the form of subsidies. No Chinese ever looks far ahead, or is capable of a conservative policy in such a new form of business; that is why newspapers are always coming to grief and the printing trade continues to be looked upon as one of the most speculative industries. Chinese do not yet know that the successful newspaper is not a strumpet to be hired for the night but must be courted through long and anxious years. Possibly they do not care, as journalism is after all a mild form of blackmail with them.

Nothing is more symbolical of the maze of ideas which whirl through their heads and to which they try to give expression than the sight of a Chinese newspaper office. The exigencies of the Chinese language, and the absence of an alphabet, makes every font consist of 6,000 characters. The whole composing staff is consequently engaged in walking madly up and down searching out from this

immense collection of cases the type they need: and in this din proof-reading and editing proceeds, as in China all doors are open. One of the curious illustrations of their astounding adeptness as craftsmen is to be found in the type-cutter who sits waiting at the foot of the making-up tables, and who, at a moment's notice can cut reversed in wood any character missing from a font. The skill and speed with which this is done is a tribute to the marvellous delicacy of Chinese hands. A generation ago the printed word was looked upon with such reverence that no person would step on a torn page even in the streets. To-day newspapers have so changed the character of the people and altered their respect for writing, that after a hurried perusal the daily press is hurled into the dust-bin exactly as in the West.

§ 3

One of the results of the curious half-way house which Chinese civilization has reached is the Anglo-Chinese daily, or the newspaper

published in two languages. While this phenomenon is seen in other countries, notably in America, in no instance have such publications been so popular as they are in China although they are far more costly to produce. They are welcomed with the utmost eagerness because those who have had a Western education appear to have a dual mentality, requiring the daily comfort of two contradictory civilizations. Just as Chinese prefer to use English to discuss engineering or mathematical questions, so do they recognize that it is impossible to reproduce in Chinese ideograms some of the news and views coming from abroad. This tends to prove that their minds are in a state of flux, and that they cannot be judged as harshly as they would be if they had really absorbed the new culture and become entirely guided by it. Constantly is it shown in such publications in two languages that there is an antithesis or contradiction between Western and Chinese ideas which cannot be reconciled. The only possible parallel would be to suppose that eighty years after the Norman Conquest of England it had been necessary (and pos-

sible) to issue newspapers. Then we would have seen an even worse confusion than in China to-day, with Norman-French struggling against Anglo-Saxon and being printed in parallel columns to make the meaning of new ideas clear. From one point of view the problem is absorbingly interesting, as there is definite proof that the whole mentality and range of ideas of the Chinese is changing swiftly and coming into increasing conflict with every tradition and inherited belief. Nevertheless the modern Chinese is supremely unhappy and disturbed because he realizes that he is confronted by an impossible task which not his generation or the next can solve but which must be left to his distant descendants. This is the explanation of much of the moodiness of the newspapers which are constantly fighting to discover their true line of advance and as constantly failing. The great wave of hostility to foreign rights which has been so featured is very largely fictitious. The Chinese press knows better than anyone that its continued expansion has only come from the increase of foreign interests. It is the new

type of activity initiated by foreigners which has brought about development and given effective revenues, particularly advertising revenues. So much is this the case that many Chinese newspapers have acquired a foreign registration, both for legal protection and for closer identification with the new conditions. Chinese editors constantly seek the asylum of foreign concessions when they are hunted down, a tacit understanding existing that when they have rushed out of bounds to the protection of a foreign flag they have gone into retreat like good Catholics, and will remain silent.

The sum total of all these things makes up the Chinese press of to-day. It is at once its weakness and its strength that conditions should be so confused. In twenty years' time there should be great newspapers if the material progress of the nation in such matters as railway communications and roads is accelerated. Just now there are no great organs of public opinion. It is extraordinary that although the Chinese are far more literary than the Japanese, and take far more interest

in reading, there is hardly one Chinese daily with a circulation of 50,000 whereas in Japan there are several with nearly a million. The first newspaper in China that reaches that level will automatically introduce new standards and abolish the crudeness which is still a marked characteristic in all walks in life. You cannot have a great press with nothing but small men employed in its making. That is the position in China to-day. The noise the press makes is like the paid *claque* of a French theatre which is merely earning the price of its supper by a steady roll of hand-claps. The tricks that are indulged in have to be seen to be believed: they have elements about them not met with in other countries. One of the favourite ways of attracting attention is to publish the death of someone high placed, always an interesting piece of news in a country where persons take the place of principles. This phenomenon so constantly crops up that it has ceased to attract attention. It is very hard to explain even on the score of malevolence. In the case of an official in the Chinese diplomatic service, whose demise was chronicled with a

great wealth of detail, the person in question declined to deny the report when it was brought to his notice because he explained that it was "merely the work of his enemies" and that the move had failed. It is an odd civilization that uses the obituary as a form of private war: but this is one of the anomalies of the present situation and all attempts to reconcile it with any foreign line of reasoning must fail.

A press which does not hesitate to resort to extraordinary methods such as these, unique in the modern world of journalism, has countless other ways of venting its displeasure. The system of ideographs lends itself so to substitutions and to delicate forms of innuendo that merely by introducing a different type-face in a mass of other type it is possible to convey to all readers that a popular hero is a black-hearted scoundrel. It has become etiquette not to write a direct denial to an offending newspaper, but to publish in rival organs an advertisement exposing the nature of the invention and the reason why particular persons have tried to circulate it. This lends itself to very artistic work in which the war

can be carried into the enemy's camp and vindictiveness given full play. Editors are practically immune from the law of libel, and find a compensation for their precarious livelihood in brutal assaults on those who fail to please them.

In such circumstances it is almost as necessary for a political personage to have his own newspaper as it is to keep a motor-car. Those who are forced to deny themselves the luxury because of the expense pay monthly subscriptions to news agencies which send out propaganda for their patrons when called upon. There are foreigners who are said to prefer the Chinese press to the foreign press because of its infinite variety, and because in the most amazing way it sooner or later gets hold of the most jealously guarded secrets. No statement in the Chinese press is ever absolutely true, but almost every categorical statement is based on a fragment or echo of something important, heard at the key-hole. In the busy hour before going to press, talented men are inventing or dressing-up what

they consider ought to be the news of the day. Still the telephone has been busy and as practically every Yamen has leaks which would sink the Ship of State in any other part of the world, you get with your morning tea an intelligent anticipation of practically every important piece of business which has been initiated. Although for the tyro it is a matter of surpassing difficulty to determine what particular object caused the publication of each particular statement, the expert will at once see the goal. Very often leading political personages employ a staff of propaganda writers so skilful at creating an atmosphere of uncertainty that practically never a week goes without the belief being created that a new civil war is about to burst out. Within the past year the intimate connection between the news market and the money market has become better understood, opening a new and most profitable vein of gold, which had not been thought of before and which some day will afford wonderful results as the Chinese are born gamblers.

Just as the English press is famed for its stolidity and solidity and the American press for its love of the big story, so is the Chinese press a press of anecdotes and unconsidered trifles. The human interest is ardently sought for. No Chinese is interested in the discussion of abstract principles, and few are able to read more than half a column of close print even on questions that affect their own livelihood. Just as they all enjoy a public dispute on the streets accompanied by much invective, so do they require of their journalists hatred and evil-speaking when foreigners clash with them. No better illustration can be given of this than during the present crisis in connection with the brutal murder of a British subject on one of the outer roads near Shanghai. Although there was the evidence of a white woman witness and the facts of the assassination were established beyond any doubt, the vernacular press did not hesitate to declare that the victim had died of heart-failure from driving his motor-car at high speed in the dark, and that to strengthen the case against Chinese strikers

the British Consul General had ordered the foreign police to bore holes in the dead man's body, resembling bullet wounds.

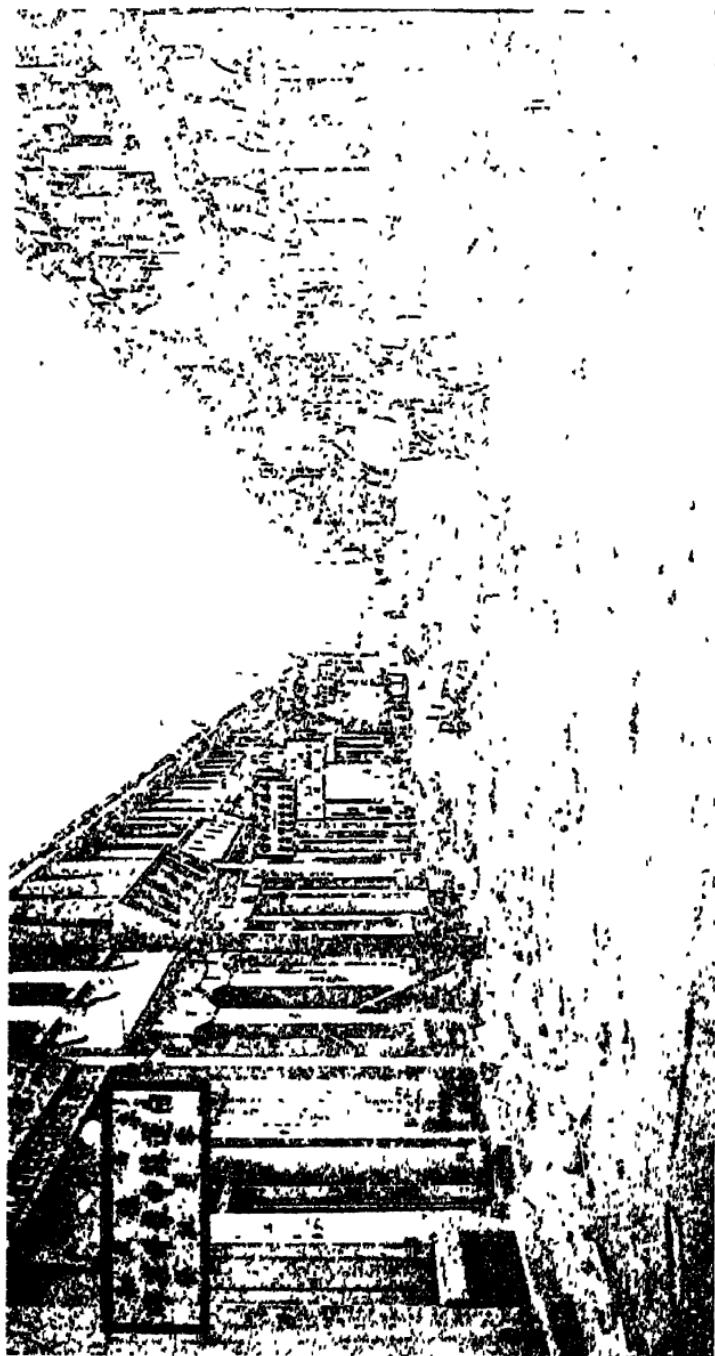
Before these corruptibles put on incorruption many a day must pass.

CHAPTER VI

THE JAPANESE AS POLITICAL SEERS

§ 1

The substitution of England for Japan as the arch-enemy in China, and the steady and persistent attempts of Japanese to dissociate themselves from the British is one of the most remarkable features of a situation which must be understood by English-speaking men if they desire to fortify themselves against the future. Although it has largely been on account of the Japanese that the Chinese imbroglio has become so acute, Japanese agents in private have gone so far as to declare the willingness of Japan to pay every kind of compensation so long as they can remain friends with the Chinese people. While most of the Japanese political work in China is secret, and hard to follow without collaboration with Chinese, that collaboration is not only obtainable, but can easily be won with time and sympathy. Once



The Japanese concession in Hankow after the mob had passed through it on June 11th, destroying everything.



Field guns in support: Shanhaikwan front.

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Manchurian infantry in advanced position. Shanhaikwan front.

it is available amazingly interesting things come to light showing that Japanese policy is expressed in a countless number of ways and that the end always justifies the means.

The end just now is Chinese friendship in the face of blows.

It is hard to believe that a nation that precisely ten years ago made a most determined attempt to impose a military protectorate over all China with the Twenty-One Demands when the rest of the world was engaged in war, should have become so meek without grave reasons having prompted such a course of action. Whether Japan is really more farsighted than other powers in China must be open to doubt, but that in conformity with her new course of action special instructions have been sent to every Japanese in authority to turn away from energetic action, and in fact to turn the other cheek to the Chinese to smite as hard as they like, seems undoubted. The Tokyo and Osaka press, which generally affords some indication as to why a particular policy has been adopted, has been remarkably silent and discreet during three months of con-

flict and strain, only venturing the opinion that force will not solve the Chinese question, and that great patience is consequently necessary. This, however, cannot be considered as the whole truth. It is, in fact, not the truth at all. It is well known that the use of force on the part of one or two powers at selected points would have entirely changed the outlook, a vast portion of the Chinese population being at heart unaffected by the campaign raging at the disaffected centres and certain to turn against their striking fellow-countrymen if they had thought that a common retribution was about to overtake them all. But strong action would have entailed a change of policy not only in China but in the grouping of the powers. A definite decision would have had to be taken regarding the central government, which while still accepted as a *de facto* government, would have its status automatically cancelled by foreign violence. Any intervention indeed would make the position not dissimilar from what it was in the interim period between the Boxer outbreak (1900) and the signature of the final Protocol (September 7, 1901).

The question of the entire administration of China would be involved, poisoned not only by native hatred but by international jealousies.

When Japanese newspapers then declare that force will not solve the Chinese question, what they mean is that this method will not bring a solution satisfactory to Japan, owing to the commitments of the Washington treaties. If Japan were sure that England could be detached from her new policy of association with the United States in matters affecting the Pacific, and could be induced to revive something resembling the Anglo-Japanese alliance, she would no doubt be willing to speak in no uncertain voice. But she is astute enough to see that the Chinese turmoil, harmful as it may be, cannot modify overnight the settled policy of a world power; and that the Washington agreements, be they good or bad, are what must dominate. Although the application of American ideals to Chinese reform in no way suits Englishmen, they have so far accepted the situation created for them that it is already an appreciable factor. Japan as a counter move has quite logically adopted as her main

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policy a set of moves having nothing to do with the official program, the Washington agenda, like most official acts, being intended in her view for public consumption and for nothing else. That Japan has no reason to be enchanted with the ideas of other governments can be gathered from her bitter experience with Shantung which will remain for many a long year a speaking proof of the world's hostility to her advance.

While these things form the background, in the foreground stand other matters. The Japan of 1925 is a very different country from the Japan of ten years ago. Popular agitation, earthquake losses and the decay of the military spirit have been accompanied by a growing industrialization of the country. The recent enfranchisement of many millions of voters goes hand in hand with the growth of a spirit of revolt and a type of socialism which is certainly unhealthy in an absolute monarchy. The Russian revolution and the success of the Soviet government in the face of every obstacle, has made a far greater impression upon the Japanese than upon the Chinese,

the Chinese being stirred by nothing that takes place in foreign countries, their age-long self-sufficiency and their stupendous agricultural production making them above envy. Japan, on the other hand, is hungry, and concerned because she has outstripped her resources. She is also proud and believes herself capable of endless accomplishment, as indeed she is, if present obstacles are eliminated. But will they be? A nation that has its food supplies perennially secured and is numerically vastly stronger is in her immediate proximity. That nation moreover has other things she lacks—and is a rising nation tending to dwarf her. Soviet Russia has also acquired some of the puzzling qualities of China, mixing unreliability with denunciations—and proving conclusively that documents like dreams, are fated to pass into oblivion. It has meant more to the Japanese than to any other nation in the world that two great Imperial systems—both highly imperialistic, from which she borrowed so much, have gone down to ruin. Both imperial Germany and imperial Russia were guides to her, even when they were her enemies, and yet

their examples led to a morass. The substitution of a Republic in the case of one and of a Communist state in the case of the other has so altered things in the Far East that it alone forms a reason why Japanese policy in China has lost much of its positive character and seems hesitating and obscure. Official Japan may not be actually frightened by Bolshevism, but it is certainly more nervous about it than is any European nation, particularly in view of the fact that this insidious doctrine has reached her island shores just when the transfer of power from an absolute government to the people has commenced and when one error of judgment might precipitate a crisis. The Japanese at heart are a hard and revolutionary people, very different from the Chinese, who are only subject to passing moods of rage, and who do not believe in political principles. The Japanese themselves forced the revolutionary changes of 1868 which created present day Japan. They are clever enough and resolute enough to digest the lessons of the present period and to turn those

lessons to their advantage by creating still another Japan, if that is absolutely necessary.

§ 2

Behind these considerations there is, however, something more powerful because it is more pressing. The Japanese know with the Chinese that Britain is the most rock-like of all foreign powers, and that so long as her determination to stand firm in China remains unaffected, the world may rage and roar but nothing will be changed. In other words Japan fully recognizes that England still possesses the premier position which no one can take from her unless the ground is deliberately cut from under her feet. Inasmuch as Japanese trade and shipping aspire to that place there is an obvious moral. In the bitter struggle for existence among nations, no consideration can be all-powerful excepting the promotion of one's own interests. Japan, which in the final period of the world-war, came within an ace of displacing England in China, just

failed to pull ahead and since then, in spite of a great industrial investment, she has fallen back roughly to the relative position as in 1914. Financially her position is even less good. Her so-called Colonial banks, having had their funds largely lost in vain attempts to quicken the extension throughout China, can no longer give anything like the financial support which British banks are still capable of. For this reason Viscount Kato, the originator of the policy of the Twenty-One Demands, is publicly recanting and fusing his policy with that of other Japanese prime ministers who have sought by loans, and groups and cliques to grasp hold of the government machinery in Peking. A new policy of "Asia for the Asiatics" has displayed the old idea of domination; it is certain that co-operation with Chinese is what all schools of Japanese now desire, thus creating the belief that Japan is actually afraid of China and that what has been attempted in the past has been the valour of ignorance.

The centre of Japanese interest in China has shifted. Although her industrial magnates

now possess on Chinese soil scores of cotton-mills with millions of spindles, employing hundreds of thousands of work-people, over whom reign overseers armed with pistols, this industrial activity is not a paramount consideration any more than is Japanese shipping, in spite of its vast increase.

The major interest is reserving the Chinese market—reserving it by a double method; first by weakening and ultimately destroying the conditions which in the past allowed Europe and America to play a great rôle; secondly by concentrating attention on Japanese exports so that Chinese raw materials will tend to come back in payments. Japan is quite prepared to abandon extraterritoriality to-morrow as she got on very well without it during the first twenty-five years of her modern intercourse with China, and only adopted this Western device because it ill-suited her dignity in the days after 1895 to be classed by the Chinese in a different category from the rest of the powers. Settlements or concessions in the treaty ports are likewise not of prime importance to her. What is vital to her is the Chinese tariff, which

has become invested for her with an almost sublime significance, far outranking every other issue. Her fate as she sees it is bound up in the Chinese tariff. Before she concedes Chinese tariff autonomy she will force a dozen civil wars; for she believes that by the Chinese tariff will she ultimately live or die. It was a noticeable fact at the Washington Conference that it was the Japanese delegates who opposed tooth and nail even the moderate increase which was finally accepted by the assembled nations. When the authorized Conference meets in China to execute this concession, the Japanese will leave no stone unturned to delay matters going any further. The possibility of a Far Eastern Zollverein, or Customs union, may never have been for her more than a dream; but the world has progressed through dreams and this vision is not as impossible as some that have been realized. Having been similarly placed herself prior to the war of 1894-95 in the matter of tariff restrictions nothing that has arisen during the present crisis has given her more alarm than the Chinese cry for fiscal autonomy. Being es-

sentially analytical, she realizes that an adequate tariff, accompanied by a proper monetary system, will create a very different China and therefore a very different balance of power. The immediate effects of anything like a Chinese tariff wall on her commerce, which is essentially a commerce of cheap products apart from the silk trade, cannot be measured. Already the expansion in her industry, which the war period brought, has been seriously interfered with by her lack of capital and by the inferior standards and technical knowledge of her people compared with the nations in the West. Her greatly increased shipping returns do not reveal the percentage of old tonnage which is really unprofitable and is still retained because she dare not scrap it; nor does any table disclose how much agriculture and industry are penalized to keep her ships moving on the seas.

There is still in Japan as in China a disparity between the civilization of the nation and the civilization borrowed from abroad. The effort to maintain what is exotic and not indigenous is so severe that efficiency goes by the

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board, the standard imperceptibly sagging down to the comparatively low standard of the East the moment special efforts to maintain the artificial level are relaxed.

As in shipping so in other things. When no direct government action dictated by motives of policy reinforces private effort, the natural effort falls to the common stream of life. Thus in the China trade the Japanese very often build up a market for a particular product only to find that their customers have imported superior machinery and are turning out a better article. A constant necessity exists to bring about artificial improvements by government help. Japan, which is half a generation ahead of China in the organization of her credit, knows that her advantage is only temporary and must ultimately disappear unless this artificial support is available. The machinery which has set in motion these new forces is imported machinery, an alien thing; and with the struggle going on throughout the world to sell at all costs factory surplus, the China coast has become dotted with European and American agents who almost force on Chinese buy-

ers later inventions than Japan has bought.

Added to this great tide of business activity is the new phenomenon of Japanese industry building up its own factory system in China so as to take advantage of so-called cheap labour and proximity to the raw product. If this investment tends to become self-contained and isolated behind a tariff wall, it will take on characteristics very different from the original purpose. That it will pass into Chinese hands may not come about: but international trusts cannot fail to capture the Chinese market when normal relations with the world market are brought about by peaceful conditions. Japan will not readily see her surplus capital turned against her, and perhaps even annexed by the quicker-witted Chinese working in combination with other foreigners: but the international money market is no longer at her disposal and the great bankers of the world, if they are so minded, can dispose of her as they please.

It is because she foresees all these things more clearly than other nations that she has displayed extraordinary leniency during the

present crisis, doing everything possible to conciliate the Chinese and make them believe that nothing has arisen which cannot be easily adjusted—that in fact there is no more than a surface difference between the ideas of the two nations and no difference at all between them on the subject of the abuses and disabilities which the British opening of China in the nineteenth century has imposed. For the commercial conquest of the Chinese coast and river system was a conquest carried out in days when there were eight Red Ensigns for every two flags of the other nations; and the lead obtained is almost impossible to destroy.

First in the field, the men of the Union Jack pre-empted the best sites along every Chinese anchorage. They put in the most capital, and with the experience which comes from a century-old knowledge of the sea, they arranged it so that every obstacle was as far as possible removed. Wharf and warehouse were made capital conveniences for the Chinese market, and that market was consulted at every turn. All the positions were so chosen that as the junk and lorcha surrendered year

by year to steam shipping, the sceptre imperceptibly passed to British hands. A Customs system which is Anglo-Chinese in origin locked the whole together in a frame-work as of steel; and because it is indissolubly united with the navigation treaties makes it a crowning disability which no ingenuity can offset. Through the endless alarms and excursions of seven decades a constant effort has gone forth to build, improve and expand this creation of the early Victorian era; and it can be truly said that not often has a monument been raised with a greater title to permanency than the monumental commerce of Britain in China.

The British control of the Chinese Customs, which is to remain so long as British trade is preponderant, and the large part Hongkong plays in the trade of China as an international entrepôt, give Japan's principal trade-rival an undoubted advantage. Japanese declare that if the statistics were differently arranged their position would be shown as considerably stronger and perhaps superior. This claim is, however, unjustified. No matter whether the great transshipment trade at Hongkong is

largely derived from non-British products or not, the fact remains that the port is British, and therefore as much entitled to be used as a counter in the commercial battle as any other factor. Strict impartiality is also a feature in the administration of the Chinese Customs. It is not too much to declare that if the control were Japanese instead of British various modifications unfavourable to equal opportunity would be gradually introduced. There is the case of Korea as a proof of this since every trace of the old system established as a branch of the Chinese Customs has been carefully expunged since the Japanese annexation of fifteen years ago. It is the fact that while the China market is of great importance to Japan, it is less so statistically than the American market which is attracting more and more attention, since it is truly a fairly remarkable position in view of the proximity of the two Asiatic countries and the trade advantages which a similar script confers. It is impelling Japanese of every section of the community to second the efforts of their government in making China occupy the central and principal place.

Such, then, is the problem to be resolved. The vital problem for Japan is the empire of raw materials inside the China coast fringe: everything else must be subordinate to this primary consideration. It is Manchuria and border Mongolia that offer her the easiest field; and therefore he who wishes to understand the essence of Japanese policy must carefully watch every development in this zone. Connecting as it does with Korea, it is already a source of such great wealth that the trade of the region is one-fifth of the trade of all China. Very important developments have quite recently taken place which have escaped world notice because of more dramatic happenings. Fundamentally the most far-reaching thing has been the new strategic railway Japan is constructing, nominally on account of the Manchurian government from Taonanfu to Tsitsihar, which can cut off Harbin and the Russian Far East from the Communist metropolis. Ten years ago the construction of this line would have automatically brought war between Russia and Japan, for it will provide direct railway communication between Fusan,

the southern terminus of the Japanese continental railway system, and the heart of Heliungkiang province 1,600 miles away; and it will be possible to put an army in the rear of Russian Pacific communications almost overnight, thus giving Japanese diplomacy a weapon of priceless value. Sooner or later it will tempt Japan to complete the work which was only partially accomplished by the war of 1904-5, that is, to bring the whole of Manchuria together with its communications, under her sway. For the possible conversion of Northern Manchuria into a Soviet land makes it necessary for Japan to resume her northern march.

Thus it can be accepted as a fact that Japanese policy has not radically changed but is now carefully masked to meet the new conditions. Twenty years' close contact with the Chinese in Manchuria has proved to the Japanese that they cannot compete with the Chinese on equal terms, and that only by mixing protection and privilege with their China activities can they gradually build up an edifice which will be a counterpart of their great effort

at home. Remarkable as has been their accomplishment at Dairen, which will soon rival Hongkong, it owes much to the original Czarist plan which laid down the main outline and left it only to the Japanese to carry out improvements. So it is with their Manchurian railways which have been borrowed from the grandiose conceptions of Czarism and are not the offspring of Japanese minds, and which already require some new incentive to make them play a greater rôle. That rôle is perhaps in preparation: for it is difficult to believe that a nation that has gone as far as Japan will be content to accept the world as others make it, and not create opportunities for herself.

§ 4

If we ask how those opportunities are to be created the answer is to be found in a page of history that has not yet been finished. The *coup d'état* of 1924 was a Japanese coup in everything but execution. The situation was shaped to produce it, and the information supplied to explode it. It is necessary to repeat:

Japanese policy has not radically changed but is more carefully masked to meet the new conditions. The circumstances indeed are more favourable than they have ever been before for steady secret progress beneath the cover of an official program; for in both Peking and Mukden pro-Japanese groups are the government groups, the alliance which installed the Provisional Government after the *coup d'état* being primarily an alliance of elements assisted in the past by Japanese and necessarily favourable to them. Japan's principal concern is to keep the Mukden and Peking groups separate so that each will require her services, since a strong and united China is the counterpart of a dead or dying Japan.

In these circumstances newspapers in China controlled or published by Japanese are illuminating and valuable. They are like so many sensitive plants: every event that touches Japan causes them to quiver and shake. What they say is always unimportant: what they conceal or minimize shows where pressure is most feared. Less able than the Russian prop-

aganda services, because they are less daring and less determined, pure journalism often gets the better of them and they disclose remarkable stories. Although a silence as of the tomb is supposed to enshroud the inner shrine of Japanese policy, very often shrill voices are heard which tell of discordances. The Japanese are united to a man in their undying loyalty to Japan but very often in China that loyalty appears as an abstraction. The Chinese play is so absorbing and many-sided that it gives scope to a thousand deft hands—and some of these cannot resist the temptation of a crude independence.

There is a bond between Chinese and Japanese possibly as close as between English and Americans, the bond of a common script and a partially common origin. But the ideals are divergent, more divergent than English and American ideals; and with different ideals go very different natures. Whether from these peculiarities a new dispensation for the Far East is to come is something which only a later generation can discover.

Meanwhile, if concessions have to be made to China during the next twelve months, Japan is preparing to make them where it will least inconvenience her and at the same time most inconvenience others. Ever since the cry of unequal treaties was raised she has been going through her own records and the agreements of other powers seeing what best she can surrender.

She has made a precious find—extraterritoriality. The property interest of all the powers in China is an investment which cannot be accurately assessed, but with Chinese properties, for which British subjects are trustees, the British interest alone is in the neighbourhood of \$2,000,000,000 silver (£220 millions). This interest would suffer so tremendously from any tampering with the judicial system so painfully built up during the past that it would ruin England in China and grievously damage half the Chinese of substance at the treaty-ports. For extraterritoriality is as precious to the land and property registers at the consulates, and to the limited companies, as it is

for its guarantee of personal safety and speedy trial in open court. Not, however, for the Japanese since their one big investment—the South Manchuria Railway Company and the railway towns within its zone—is protected by special capitulations and by troops. Therefore they are prepared to make concessions first in Manchuria, and later elsewhere in the matter of consular jurisdiction, provided China is willing to ratify the land rights given for the Manchurian districts under the agreements of 1915 (The Twenty-One Demands) and since disputed. By reverting to the reciprocal treatment laid down in their first treaty with China, that quaint Treaty of 1871 signed by Li Hung-chang at Tientsin, in which among other things merchants were prohibited from wearing swords and were not allowed to create confusion "by changing their costume or becoming naturalized," the Japanese can without insuperable difficulty work out a scheme which will leave them some power of reviewing sentences and judgments and yet nominally abolish their consular courts. The clauses of the

1871 instrument show so well the working of their minds and how they will proceed, that it is useful to quote them:

Each country shall, in each of the ports of the other country which are open to trade, station a Consul who will exercise control over the merchants of his nationality. All matters relating to property of all kinds, to business or professions, and to judicial suits, shall be referred for settlement to the Consul, who shall decide them according to the laws of his country. Suits arising between merchants of the two countries shall be brought in the form of petitions: the Consul shall endeavour to settle such cases, and shall do his utmost to prevent them being made the subject of litigation. When a settlement cannot be effected in this manner, the Consul shall communicate with the local authorities, and the officials of both countries shall meet together and decide the case in accordance with justice. In cases of robbery and absconson (where the aggrieved party is an alien), it will be sufficient for the local authorities of each country to arrest the offenders and take back the stolen property: the Government concerned shall in no case be required to make compensation.

Should in any open port of either country no Consul be appointed, the local authorities of the country in question shall exercise control over the subjects and trade of the other country, and render good offices: should an offence be committed, they shall arrest and try the offender, and after reporting the facts of the case to the Consul at the nearest open port, give sentence according to the law.

The result of the visit of the International Commission of Jurists to China provided for under the Washington Agreements will presumably be known in the course of the year 1926. It is not necessary to try and anticipate their judgment on the present condition of the Chinese judicial system. But it will be highly interesting and significant if the Japanese act on their own initiative, because of their necessities, and decide upon their own measures, no matter what others may do, so that the Chinese people may be encouraged to believe in their brotherly love.

CHAPTER VII

THE UNEQUAL TREATIES

§ 1

Written treaties were unknown in China prior to the coming of Europeans, and form a direct contradiction to the whole Chinese state theory. According to that view, China was a square land surrounded by the four seas, beyond which dwelt tributary and barbarian nations. The vast extent of the Empire and its immense population, forming one society, guided by the same laws and governed by the will of a single individual, precluded equality. When embassies came with offerings to the Emperors, their journeyings within the confines of China were at the cost of the state and their residence at the capital was limited to forty days—probably because of the cost. Lord Macartney's mission in the eighteenth

century to the Emperor Chien Lung mulcted the Imperial treasury to the tune of 519,000 ounces of silver which at the rate of exchange then ruling was £173,000 sterling. It was no wonder that when the right of diplomatic representation was finally conceded by the Tientsin treaties a clause specifically laid down that the expenses of foreign diplomatic missions were to be entirely defrayed by the state that despatched them.

As in diplomatic dealings so in the matter of trade. That had never been a subject for regulation other than by the Emperor and his council: it was alien and repugnant to their ideas to discuss and limit any phase of an unlimited sovereignty. From one point of view it is right, then, to call all the old treaties between China and the powers unequal treaties since they contradict the root idea of the Chinese system which was absolutism isolated from the world. Until military pressure had extorted recognition of their existence the foreign powers were not accepted as independent nations possessing the right of negotiation. To fail to understand this is to decline to read

the facts of history which are ready in books to be read.

It was impossible for self-respecting men to tolerate indefinitely the crude and antiquated system which limited trade to Canton and exposed it to monopolistic exactions. Much has been made lately of the allegation that China bartered away her sovereign rights in such a matter as the tariff through her ignorance in the early days. Nothing is further from the truth. The tariff adopted in the first treaties was roughly the net Imperial tariff, without those accretions amounting to 300 per cent which officialdom added in the form of an itemized account reading like a haberdasher's bill. The long-standing quarrel in China has been a quarrel of officials who have lost many of their perquisites ever since 1842 rather than a quarrel between the sovereign states. The latest investigations tend to prove that *likin*, or the system of internal customs by means of provincial barriers, which for sixty years foreign writers have been declaring (each one copying from his predecessor) was a necessity in order

to make good the ravages of the Taiping Rebellion, had little or nothing to do with that rebellion, having been invented to make up for the loss of maritime and riverine customs revenues—and their strict accountancy to the Throne, through the creation of the foreign-controlled Customs. What the perquisites of the Canton factory days must have been for the customs officials is disclosed by the estimated value of official presents from Canton in the Peking palaces towards the close of the eighteenth century. Consisting of clocks, watches, jewellery and elaborate machinery, all made in London, these presents in 1790 were valued at £2,000,000 sterling and formed a collection such as had not then been dreamed of in Europe even at the court of the French kings.

If the *ad valorem* duties on goods provided a rich illicit harvest, the measurement of foreign ships was a still greater source of wealth. Incredible as it may sound to-day, tonnage-dues levied on sailing-ships of the first category (measuring 100 feet in length and 30

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feet in beam), before they were granted pratique by the Canton Customs averaged over £1,000 in 1810, and were made up as follows:

79.9×25.5	Tls.
Official tariff	$\times 7.777$
	10
Deduct official allowance (20%)	<u>277.456</u>
Net	1109.287
Conversion into sycee (standard silver), 7%	<u>77.688</u>
	1187.515
Ten % gratuity to Hoppo	118.752
Two % of net fee to collectors	<u>22.196</u>
	1328.463

Presents (uniform for all ships)	Tls.
Fee on arrival	1089.640
Fee on departure	516.561
Grain Commissioner for public charities	132.000
Two tidewaiters remaining on board	150.000
Various gratuities, nine categories ranging from Tls. 1.200 to Tls. 16.780, total	52.440
Difference in weights	9.359
Total Sum Payable	Tls. 3278.463 or £1100.

By 1840 the measurement fees on a ship of 900 tons had risen to upwards of £2,000, making it necessary to carry heavy consignments of

opium off the ship's manifest, for private disposal, to meet these rapacious demands. It has been calculated that if no treaties between China and the Powers had been made, and the same scale of measurement fees obtained to-day as in pre-Treaty days, trans-Pacific liners such as the Canadian Pacific "Empress" steamers would be paying from £30,000 to £40,000 for the privilege of entering a Chinese port. Self-respect, if nothing else, made a change imperative: and it is worth recording that China's first treaty was, in the main, drafted in London two years before it was signed by the strong and virile hand of Lord Palmerston, what required correction being obvious in an office 10,000 miles away.

§ 2

If we take this father of all the unequal treaties, the British Treaty of Nanking of 1842, and subject it to detailed examination, this is what its clauses reveal. First, that British subjects were allowed to reside, for the purpose of carrying on their mercantile pursuits,

at five ports along the coast, superintendents or consular officers to be the medium of communication between the Chinese authorities and the merchants, thus securing that all dues and duties provided for were duly discharged. Second, that as a number of years' experience had shown that it was impossible for sailing ships to refit near Canton, an adjacent island, Hongkong, was ceded in perpetuity to serve as an anchorage and dockyard. Third, that the government of China, having compelled all foreign traders up to that date to deal exclusively with a group of privileged Chinese merchants, called the Co-hong, who held the sole license for maritime trade, now cancelled this monopoly and admitted the principle of equality and equal opportunity for all traders, foreigners and Chinese. Fourth, that a fair and regular tariff of export and import duties took the place of the previous fraudulent system whereby the tariff was kept concealed and made the subject of bargaining and bribing between Chinese and foreign merchants in the matter of *ad valorem* levies. Fifth, that in place of the previous derogatory modes of



The former Manchu Emperor Hsuan-Tung, now called Mr. Henry Pu Yi, photographed in his garden in Tientsin after he had fled from Peking subsequent to the *coup d'état* of October 23rd, 1924.



The ex-Empress in her Manchu dress, photographed at the same time as the Emperor.



Photographs showing the mountainous country to the west of Shanhaikwan through which the Manchurian army poured, taking advantage of an unguarded pass.

treating and addressing foreign officials, a footing of equality was established between the officials and merchants of both nations, the same Chinese official modes of address being used by all concerned so that no contempt would be conveyed. Sixth, that pilots should be provided both for bringing into port and taking ships out to sea, the previous stoppage and delay which had been methodically practised for two centuries in order to extort money being made illegal and punishable. Seventh, that ground and houses should be set apart by the local officials in agreement with the consuls for traders and their families to reside in at the five open ports, the rent or price to be fairly equitably arranged according to the rates prevailing amongst the people without exaction on either side. Eighth, that criminals and offenders would be promptly handed over by the British to the Chinese, whenever the said offenders or criminals were Chinese citizens, an identic policy being followed by the Chinese in regard to British subjects, what is now called extraterritoriality being in the first instance a reciprocal police arrangement ex-

actly suited to the conditions of the day, when Chinese were constantly fleeing to British ships and claiming asylum, and the drunken crews of the sailing ships were constantly creating disturbances ashore.

The treaty of 83 years ago which broke open China to the world may have been crude and elementary, and the indemnity of 21 million Spanish dollars imposed may have seemed excessive, but that a major-general in the East India Company acting as Plenipotentiary had done his work in a satisfactory way was the verdict of the world. The American and French treaties, made two years later in imitation of the Treaty of Nanking, were improvements on the English model because skilled draftsmen were at work and it was no longer a question of dictating a surrender from the quarter-deck of a line-o'-battleship. The English treaty was, however, the first acquaintance China had ever made with the mathematically constructed port and customs regulations of the West, and was as great an accomplishment in the history of Asia as the capture of Singapore. The bold policy which

while admitting that the Canton question was practically insoluble, turned elsewhere for the solution and founded the great colony of Hongkong, besides opening the Yangtze estuary to the trade and industry of the West, was looked upon in all the capitals of the world as the most brilliant stroke since the days of Pitt. Whether, as some believe, the stroke fell short because the problem of the Yangtze and Shanghai was not as decisively solved as the problem of Canton, need not be a matter of debate just now.

§ 3

It was not the British but the Americans who gave extraterritoriality its first complete definition in their treaty made in 1844 wherein Article 21 states:

Subjects of China who may be guilty of any criminal act towards citizens of the United States shall be arrested and punished by the Chinese authorities according to the laws of China, and citizens of the United States who may commit any crime in China shall be subject to be tried and punished only by

the Consul or other public functionary of the United States thereto authorized according to the laws of the United States, and in order to the prevention of all controversy and dissaffection, justice shall be equitably and impartially administered on both sides.

It may be presumed that American altruism would not have erred in this striking way had not a clause of this nature been deemed essential. The last execution of a foreigner in pre-Treaty days indeed had been the strangling of a sailor from an American ship, who was surrendered and deprived of his life for accidentally killing a Chinese woman. The rendition of this man to the local authority, and his brutal execution for nothing more than manslaughter, created a scandal in the early trading days which was talked of for at least a generation, Americans feeling very sensitive to the reproaches which all nationalities lavished on them for their weakness. Since a repetition of such a punishment could not be contemplated, all were united on the necessity of securing that jurisdiction over foreigners should be exercised solely by foreigners.

It was because these treaties of the 'Forties failed in their object, which was to establish a position of equality between China and trading nations, that a second set became essential. For although the interruption of the main trade of China, which had been carried out by the British occupation of the Grand Canal, and the approaches to the Yangtze mouth, together with the destruction of Chinkiang, had forced an official surrender, the civil population throughout the country remained impervious and the city of Canton so hostile that it was closed to all Europeans. The Treaty of Nanking was in reality not working at all. The old Empire was still virtually unscathed and quite impenitent in its attitude towards the West. While Hongkong and Shanghai, being both ideal places as entrepôts of trade, made progress and began to acquire local significance, the memory of what had taken place between 1839 and 1842 soon faded. The evacuation of the British armed forces which had been duly carried out as soon as the indemnities had been paid, left local Chinese officials almost as hostile as ever, and although the

Taiping rebellion had begun to cast its grim shadow over the central provinces, many years were still to pass before the ill-effects of this terrible rising were made manifest in a humbler official attitude.

Constant disputes and clashes occurred in the Canton River, and in 1857 the British, irritated beyond measure by a policy of pin-pricks, commenced the so-called Arrow War which drew its name, not from the ancient weapons of a Chinese garrison, but from the seizure of the Chinese crew of a sailing lorcha, so named, which was registered in Hongkong.

The occupation of Canton city by the British and French forces (an alliance originating in the Crimean War) was followed by an exchange of views between the governments of Napoleon III and Queen Victoria which decided that the time for further action had arrived. The hallowed position of the Manchu Emperors was counted a myth which must be publicly exploded if a true basis of agreement was to be found between East and West. Yet though both at Shanghai and Canton it had become necessary for the consulates to

take over the collection of the maritime customs, owing to the collapse of the administration from the Taiping rebellion, the pomp and majesty of China was such that the indignity of direct negotiations between the court and foreign plenipotentiaries, was still refused the acceptance even of written communications except through the hands of the two distant viceroys at Nanking and Canton being forbidden. From the Chinese point of view the first treaties had been the maximum concession possible. They were commercial undertakings—mercantile facilities granted in defiance of common sense to keep red-handed foreigners quiet. There was nothing in them which gave any ground for demanding such an absurdity as direct contact with a sacrosanct court. What they did was simply to give a mandate to Westerners to land at certain points on the coast which were frontier points and live there within the circumscribed areas: to import their goods at a fixed tariff: to buy and ship away under the same fixed tariff the products of the Empire: and to be punished in case of delinquency by their own officials,

whose authority was made undisputed by allowing a warship at each port. That mandate had been dearly paid for according to the Chinese view and was bitterly regretted. Already the vast interport shipping trade, which in the Chinese world was the equivalent of international trade owing to its variety and volume, was being seriously affected by the invasion of foreign shipping and by the coming of steam. While no accurate statistics have ever been available, by simple count it has been estimated that up to the middle of the nineteenth century, Chinese ports of the first class often sheltered as many as a thousand junks, averaging 250 tons capacity, the lesser ports accounting for hundreds. The Yangtze, the home of the largest population afloat in the world, was reputed to have 18,000 junks in its halcyon days—the equivalent of 4,000,000 tons of shipping. The count for the whole Empire had been put as high as 10,000,000 tons, a development of interport trade by coast and river and canal such as no other country has ever known. All this was now not only menaced but in process of destruction. The struggle for existence

may know no law other than the survival of the fittest: but before the unfit go under and the waters of fate close over their heads there is a mighty clamour. There was a mighty clamour now in China, a clamour which reinforced the passionate memorials to the throne of the provincial bureaucracy, praying for resistance. Rebellion in the heart of the Empire and the foreigner hammering with increasing insistence at the gates marked each angry dawn. The Court hating like every Bourbon court to face the inevitable, delayed and prevaricated and vainly sought by cruel punishments on its own officials to imprison the oncoming tide. And meanwhile the tide came on.

§ 4

In 1858 British and French expeditions sailed for Taku anchorage, accompanied by American and Russian plenipotentiaries, and landing there in great state soon succeeded in negotiating the Treaties of Tientsin which opened the modern period in China. By these instruments a new era was ushered in. At

last it was made amply clear that no longer would great nations, even to save Chinese dignity, consent to be held at arms' length but were determined to be treated not as inferiors but as equals. It is one of those paradoxes that what are denounced to-day so bitterly as unequal treaties were, sixty-five years ago, looked upon as the proclamation of equality between the powers and China, and the public abandonment by the Son of Heaven of his claim that China was the centre of the world and that the representatives of other nations were subordinate, mandarins bringing tribute to a suzerain. By these treaties the universal practice of great and friendly nations was established in China of appointing ambassadors or diplomatic agents to the Court, it being necessary to devote hundreds of words to a precise definition of what foreign diplomatic representatives could henceforth rely upon as their inherent right. The long and humiliating history of foreign attempts to open up diplomatic relations was not yet ended; for although the 51st article of the British treaty laid it down specifically that the British were no longer to

be considered as barbarians, as barbarians they were treated the very next year when they returned to ratify the treaty, being received with gun-fire by the Taku forts and being forced to retire. A continuation of the policy of resistance was met in 1860 by the final act, the march on Peking of Anglo-French forces which burned the Summer Palace and drove the Emperor into flight. That the Legations which were established only by an act of war should have practically remained in an entrenched condition ever since emphasizes that they have been the spear-head of the Western advance. The unequal treaties thus stand revealed as the inevitable treaties. Those who claim that they can be set aside without due consideration of the historical causes which brought them into being desire the destruction of the Chinese people as much as of the Western Powers.

For these treaties destroyed the Chinese state as it had existed in an unbroken series of dynasties for 3,000 years since the Chou dynasty as completely and absolutely as if dynamite had been used. They must be made to

found the new Chinese state before they can be cast aside. The first set of treaties—those of the 'forties—drove in an entering wedge on the coasts of southern and central China by means of a mathematical trade formula which was in direct opposition to the rights of absolutism but which left the main fabric sufficiently undamaged to nourish defiance. The second set, those of 1858 and 1860, carried the open port system up the Yangtze River and to the northernmost point of the Chinese coasts, and so threw a noose round the capital. By enthroning diplomatic equality through resident foreign ministers all possibility of hiding what had taken place from the eyes of the common people was removed. The Taiping Rebellion and the Boxer Rebellion were allied popular movements, separated by half a century of time, but running parallel to and originating from this continued pressure. The upheaval of 1925 is the same parallel movement once more, proceeding in obedience to the same laws, and losing itself in the same way as the other movements in the quicksands of foreign adroitness and foreign resistance.

The cries of the Soviet propagandists are therefore correct so far as the question of historic causality is concerned, but they are otherwise misleading since they do not make clear that the treaties are "unequal" because of their egalitarian spirit and their mathematical qualities which destroyed the possibility of a nature state reigned over by a king-priest, surviving, but that the tradition of a central sovereignty is embodied in them and kept alive solely by them. The damning part played by Russia in the past, the damning part played by her to-day and the damning part which will be played by her to-morrow is best illustrated by her land and boundary treaties which have not only not made for the liberation of the Chinese spirit, but have hastened its corruption.

§ 5

The Russo-Chinese frontier agreement of 1689, which was drawn up and signed with the help of Jesuit priests, is the first of the land treaties which stripped China of her soil. Russia commenced as early as the Treaty of

Nerchinsk, made 236 years ago, with a fraudulent statement by her plenipotentiary who pretended to be uninstructed regarding the question of the jurisdiction of the Pacific littoral which had already been ear-marked for annexation. Forty-eight years later, when once again a frontier treaty was negotiated on the confines of Mongolia, in order to settle some of the disputes arising along the borders, the Chinese plenipotentiaries tried once again to have the vast zone round the Amur estuary defined. The Russian ambassador, although perfectly willing to deal with every portion of the border, again refused to touch the question of the Pacific littoral, thereby forcing the Manchu delegation to insert as a separate article in the treaty a detailed record of the questions they had asked and the replies they had received as the only means of proving that they had set forth Chinese claims, and that by implication these claims were admitted. In these treaties elaborate articles covered the question of the caravan trade and the precise methods to be pursued regarding the punishment of border robbers, but there is no

trace of modern conceptions in them, the regulations of Russo-Chinese difficulties resembling the Indian treaties made by the settlers of the American North-West.

It needed the passage of more than one century before the important point which had been left in suspense was raised again. Then the famous Mouravieff, who became Governor-General and Count of the Amur, sailed down that great river and forced from the Chinese in 1858 the Treaty of Algun which not only ceded the left bank of the Amur to Russia but definitely declared that the Pacific coast region north and south of the estuary was held in common by the two empires. A scrutiny of the early treaties clearly shows that this is a manifest untruth, and as more or less the same method will be followed by Soviet Russia in regard to Outer Mongolia, it is useful to quote the pertinent article from the Treaty of Nerchinsk:

“As to the valleys of the other rivers which lie between the Russian River Oud and the aforesaid mountains running near the Amur and extending to the sea which are now under Chinese rule the

question of the jurisdiction over them is to remain open. On this point the Russian ambassadors are without explicit instructions from the Czar. Hereafter, when the ambassadors on both sides shall have returned to their respective countries the Czar and the Emperor of China will decide the question on terms of amity, either by sending plenipotentiaries or by written correspondence."

Forty-eight years later, in the Treaty of Kiatchta, the same question was pigeonholed in the form of a soliloquy on the part of the Chinese plenipotentiaries, already referred to, namely:—

"Since you have been sent as the plenipotentiary of the Russian Empress to regulate all outstanding questions we must certainly come to some decision regarding this matter. Our citizens are constantly passing across the River Oud to go into your country and if we do not decide the issue during this negotiation it is to be feared that dangerous differences will arise between us. Such differences are contrary to the treaty of peace between our two nations."

The Russian action in 1858 was preliminary to the final settlement. Having at last

secured the acceptance of the principle of common ownership of a vast and valuable zone, covering a larger area than Great Britain and including all the Pacific coast down to Korea, Russia bided her time to convert this usufruct into absolute ownership.

The opportunity was afforded her during the Anglo-French expedition of 1860 to Peking after an incident which is a classic in China's diplomatic history. A chance conversation at a dinner-table allowed the Russian plenipotentiary to acquire the information that the British and French expeditions proposed to evacuate the capital before the winter, no matter how much or how little they obtained, as they were not equipped for cold weather. Proceeding at once to the representatives of the Court in Peking he solemnly promised that if China would give the Pacific province to Russia outright he would secure the immediate departure of the allies. The simple-minded Prince Kung, brother of the fugitive Emperor, who was in charge of diplomatic negotiations, believing that this was an opportunity which should not be missed,

promptly accepted and embodied in a fresh treaty the cession of the province in which Vladivostock now stands. It was only years afterwards that the trick played was discovered.

China was in this way completely cut off from the Sea of Japan, and Manchuria made landlocked except in the south, although the international boundary which she naively consented to was formed by the Tiumen River, at one place only seven English miles from the coast and in sight of the sea. If there was ever an unequal treaty it is this one; and if the Moscow government is really imbued with the spirit of justice they will not fail to make an adjustment and retrocede to China sufficient territory to give Manchuria a corridor to the sea immediately north of the Korean boundary.

But Russia gives up nothing, Soviet Russia no more than Imperial Russia. The commercial treaties and navigation treaties which have been abrogated are not really Russian treaties, but treaties of the maritime powers which were copied in 1858 and 1860 by the

Russian plenipotentiaries so that it should not be said that they were in a different category. The abrogation of these navigation and commercial treaties by Soviet Russia is a valueless surrender to China since under the most favoured nation clause the tariff remains the ordinary Chinese tariff, plus special privileges governing land-trade. The lapse of extra-territorial jurisdiction is without significance as practically all Russians in China, except Red Army instructors and propagandists, are White Russians who have lost their citizenship and who in any case must go before Chinese courts.

In every question, however, affecting the real Russian interest—the land treaties—great care has been taken by Soviet representatives to tighten rather than loosen all instruments which give a *locus standi* within the limits of Chinese territory. Thus in the Chinese Eastern Railway, the Russian financial control has been considerably strengthened by giving Soviet representatives an absolute majority over Chinese representatives. The rights of the two powers therefore show a

greater disparity under the Soviet régime than under the Czarist régime. Similarly in Mongolia, where Czarist Russia was content to maintain a certain status so as to prevent China from sending large garrisons to the frontier, Soviet Russia has turned the entire country beyond Inner Mongolia into a Soviet enclave by the simple expedient of a *coup d'état* which brought in a large number of Russified Buriats from the trans-Baikal province and made them the instruments for forcibly converting the so-called Young Mongol party to Sovietism and expelling all Chinese. Thus Russia, in spite of Bolshevism and the dictatorship of the proletariat, pursues precisely the same policy territorially as of yore, even the abandonment of the Boxer indemnity being fraudulent as the Russian bill for the intervention of 1900 was completely liquidated by 1916, the rest being bare-faced surcharge, excessive even for Imperialists.

It is this power which is calling upon the Chinese to insist that trading nations, which rely upon a whole body of practice and precedents built up amidst constant trials and trib-

ulations, should jettison their treaties without any regard for the incalculable damage which may be inflicted. China's foreign trade, which is worth four hundred million pounds sterling a year, is precious because safeguards exist which permit of its steady expansion, and which in no wise harm, but on the contrary greatly benefit, the body of Chinese people.

Soviet Russia, which is passing through the military schools at Urga large masses of Young Mongols, and creating a Red Army at Canton so as to be able to intervene in Chinese affairs in combination with those who find her policy admirable, should at least admit that an alternative policy may prove more attractive.

The clumsy expression set at the head of this chapter has figured so much because it is a literal translation of the Chinese rendering of the idea of unilateral agreements which is characteristically expressed as treaties without equality.

Yet broadly speaking no other treaties were possible than these instruments, since they summarize the only possible plan under which

foreigners and Chinese could live at peace in the days of the old Empire: and, equally characteristically, nothing but these instruments preserves from dissipation the sovereignty of the Chinese people by keeping alive the institutions and the practice of the metropolis which otherwise would go the way of the Manchu dynasty. It is largely due to the foreign treaties, particularly the British instruments, that Chinese students of to-day can pursue their studies all over the world and mix with their fellow-men on terms of equality. Had it not been for these hotly condemned undertakings, instead of graduating from American and European colleges and making the world resound with their political protests, these self-same students would still be travelling like their fathers through their own country by creaking cart or by primitive junk to the capital for their examinations, which would be carried out in the appointed way by each man being locked into a narrow cell for three days and fed through a narrow slit. Then, did the examination prove successful, they would each of them be clothed in woman-like

robes; and with their heads encased in round hats like candle-extinguishers, and with their glossy queues hanging down their backs, they would be brought before the Throne and allowed to kow-tow humbly in serried ranks at the dawn of day. It is the unequal treaties which have saved them from this by setting in motion a train of consequences which blew up and destroyed the slave-rule under which their fathers lived. The recognition of this fact could hardly be expected from the present generation. But the day cannot be so distant when logic and intellectual honesty will force another generation to admit that the reformation in China has been accomplished by forces coming from without and not from within.

CHAPTER VIII

THE AMERICAN PLAN

§ 1

The American plan for healing all these ills, which was officially accepted at the Washington Conference, has been cynically likened to the American plan in hotels whereby you are given plenty to eat for an inclusive price which hardly makes up for the very mixed quality. Yet American policy in China is inherently better than the policy of other powers, not necessarily because Americans are more honest, but because the time has not yet come for them to exhibit in all their nakedness those instincts of self-preservation which push nations to acquire everything they can as an insurance against extinction. In the early days of the Canton monopoly Americans were free-trade intruders and they subordinated everything to that ideal, thereby undoubtedly doing much to propagate the policy of the open-

door a hundred years before John Hay enunciated it as an official doctrine. But accompanying this liberalism they adopted as a corollary the position embodied in a declaration made to the Chinese at the historic Terranova murder trial namely "we are bound to submit to your laws while we are in your waters: be they ever so unjust we will not resist them," a position from which they completely retreated in the Treaty of 1844 when they gave the first complete definition ever made of extraterritoriality. Again in 1858, as on other occasions, the American representative obtained the same treaty as the European powers, although no indemnity figured in either this or the later convention of Peking in 1860, the orders of the American government having been consistently to avoid a conflict, and no American troops having ever been sent to China except in the Boxer year of 1900. There are likewise no American concessions or settlements in the treaty-ports, although both at Shanghai and Tientsin the embryo was there for a time, because little advantage would have accrued from demanding special

areas when there was ample room in the ground set apart for the British, American trade being considerably inferior to British trade and not requiring special measures for its sustenance. Americans in the Canton jargon had actually been called in pre-treaty days "second-chop Englishmen," what had taken place during the Revolutionary War not being reasonable in the eyes of the Chinese who could not understand how peoples who spoke the same language and had the same customs could be politically separated. The missionary stamp, which was early impressed on American diplomatic negotiations and representation, and which largely arose from the impossibility of finding interpreters except in the Protestant missions, tended also to stereotype a rather Pharasaical attitude. Yet it cannot be denied that although there was a constant attempt to do by a policy of love what could only be accomplished by force, it was Dr. Parker, stonemason, divine and six times American Chargé d'Affaires, who in 1856, as American Commissioner, laid down

four *desiderata* which blazed the road for all nations.

- 1st. The residence in Peking of the three foreign Envoys and the despatch of Chinese representatives to Washington, London and Paris.
- 2nd. The unlimited extension of the trade of the three nations to the whole of the Empire.
- 3rd. Freedom of religious belief for all Chinese subjects.
- 4th. Reform of the Chinese courts of justice.

§ 2

We thus see at a very early stage of Sino-American relations something held up which was far above the heads of the people. We also see imported into Asiatic policy a note openly critical of others which while useful as an incentive, was never based on strict accuracy of judgment. The entire basis of the American policy in China in the early days

may in fact be said to have rested on a superior attitude, dissenting from British policy, yet only too willing to take advantage of British gains. In one of the earliest instructions the State Department in Washington wrote as follows to its Plenipotentiary:

“—You will state in the fullest manner the acknowledgment of this government that the commercial regulations of the empire, having become fairly and fully known, ought to be respected by all ships and by all persons visiting its ports: and if citizens of the United States, under these circumstances, are found violating well-known laws of trade, their government will not interfere to protect them from the consequences of their own illegal conduct. You will at the same time assert and maintain, on all occasions, the equality and independence of your own country. The Chinese are apt to speak of persons coming into the empire from other nations as tribute bearers to the Emperor. The idea has been fostered, perhaps, by the costly parade of embassies from England. All ideas of this kind respecting your mission must, should they arise, be immediately met by a declaration, not made ostentatiously, or in a manner reproachful toward others,

that you are no tribute bearer: that your government pays tribute to none, and expects tribute from none: and that, even as to presents, your government neither makes nor accepts presents."

Considering the manner in which the early British missions had borne themselves, declining categorically to demean themselves as other Europeans had done, and considering the ample literature already available to explain the Chinese state theory, the document cited might have been more adroitly worded. It was to serve, however, for fifty years as the ideal of a people who had yet to learn that in international politics all men are identically moved when critical circumstances affect their welfare: and that thanking God you are not as other men has been too unsuccessfully practised in the past to serve as a political guide.

Just as British policy in China may be said to be based on the Hongkong-Canton imbroglio and the northward turn to Shanghai and the Yangtze estuary in 1842, so must American policy be considered as a serious quantity only from the moment that the Philippines be-

came an American possession. It is therefore of very recent birth, being not more than one generation old. The Battle of Manila Bay saved America from inanity—there can be no question about that, since no country can consistently follow any line of action unless territorial reasons predominate. This is as true of America as it is of Russia which even under Communism has a China policy based on Mongolia and the Pacific littoral; or of France, which owes the strength of her position to Indo-China: or of Japan that relies on Korea and the leased territory around Dairen to show her dominion. Had it not been for the purely fortuitous event which made war with Spain inevitable and gave her the Philippines as a base, America would have been forced either to scramble for territory on the China coast like the others and seize some convenient harbour, or surrender all initiative. The good fortune of the Spanish war saved her from having to stultify herself once again as she had done in 1845 in the matter of extraterritorial jurisdiction. A study of many years of policy discloses a curious and con-

stantly repeated conflict between sentimental and practical considerations, between heart and head, not conducive to international well-being, and arising out of conditions voluntarily imposed on herself. If the United States could consistently follow one bent or the other, there would at least emerge a complete plan which in the course of time would attract to it a great body of opinion and be decisive in its results. But from the very nature of things this appears unlikely to happen. Thus many years after the first treaty with China in which American participation in the opium trade had been absolutely prohibited, it was found that at least 20 per cent of the trade was in American hands and that special agents were maintained in India to foster it. Again, in the case of the Boxer indemnity of 1900, had the United States, instead of vainly trying to reduce the gross total by one half, with an appeal *ad misericordiam* to all the powers at the last moment, insisted at the final sessions of the Congress of Peking in 1901 that a definite percentage be paid into a Chinese currency reserve under effective con-

trol, China would by now have a national coinage which would guarantee her whole future and assist her far more than all the educational schemes in the world—ten per cent of the total payments being equivalent to a specie reserve of 250 million dollars and enough to form the basis for a system of public finance which is still entirely lacking.

The vain search for a formal China policy which had commenced with the declaration of 1898 of the Hay doctrine of the Open Door was shown a will-o'-the-wisp if there ever was one by the events of 1900, although it had been inspired by a sound impulse arising from the sudden acquisition of the Philippines and the necessity of arresting the process of Continental Asia being turned into a series of armed camps. The Russo-Japanese War did much to open the eyes of the Washington government to dangers which were becoming ever more marked because practical measures had not been concerted to meet the fluctuating balance. President Roosevelt's mediation at the end of that war was dictated by the necessity to save Russia from a total collapse, his

faulty information regarding the position in the field making him spoil by haste what would have come in the natural course of events. The Japanese issue which beneath a cover of politeness is the great Oriental issue for the United States, had twenty years ago already taken shape, and was already being aggravated by excessive zeal and alleged goodwill. It is by no means certain that a race of American historians will not arise who will find both from the records of the State Department, and from a critical examination of other documents, that precisely the avowed altruistic character of American policy, which has placed it out of touch with reality, has been one of the main factors in disturbing the Far East. To prove this in a satisfactory way requires data which is either hidden from the world or seemingly lost. Had the diary of Li Hung-chang's American secretary, Pethick, not mysteriously disappeared immediately after his death, the manner, for instance, in which America made war between China and Japan inevitable by opening Korea to the world against all advice might have been

proved in a remarkable way. There has perhaps been no chapter less creditable in America's foreign history than the Korean chapter. From the time of the action at Chemulpo anchorage in 1882 which forced open the country in the teeth of opposition and made it necessary for China and Japan to confront one another in a way which they had carefully avoided for two centuries, knowing well the dangers thereof, until 1910, when the United States repudiated the perpetual guarantee of Korean independence which she had written in 1882 and acquiesced in Japanese annexation, there is a sermon for oppressed nationalities more striking than the sermon in stones. That China knew that war had been made inevitable by America in 1882 is proved by recent researches. From the moment Korea was opened all the land approaches to Peking along the old thousand-mile tribute-road leading from Seoul were fortified at strategic points—vain and pathetic preparations against a day which need never have dawned. While the modern works erected at Port Arthur and Weiwei by European army engineers have

been better advertised, they were but the second step in the process which immediately started when Korea signed foreign treaties in defiance of her arrangements with China. The first was the building of great earth-redoubts as advanced works for scores of miles in advance of the line of the Great Wall, together with the fortifying of the Great Wall itself at its sea terminus at Shanhaikwan, in the expectation that a land invasion such as Hideyoshi carried out would sweep North-Eastern Asia. The remains of the system built, immediately foreign diplomacy had cancelled the barrier of seclusion which Chinese and Japanese diplomacy had been careful to leave from the days of the Ming dynasty may be seen even to-day. It can be truly said that the good intentions of Western diplomacy bring to Oriental peoples greater disasters than the cruellest conquests.

§ 3

America began to be convinced after the world war that the principal bar to any effec-

tive policy on her part was the existence of a pact which made it possible for Japan to treat with indifference her diplomatic and financial pressure. From the hour that the United States realized that nothing she might attempt in the Far East would be of any avail unless she could succeed in having the Anglo-Japanese Alliance set aside, she had tacitly admitted the position of England in China and the reality of a hegemony depending on vested interests. It needed a world war for her to speak along these new lines; for while in the last stages of the universal upheaval she succeeded in checkmating Japan single-handed and thereby bringing the proposed Japanese annexation of the Russian Pacific littoral to naught, it was with England that her chief difficulty lay. Until Britain herself became convinced that it was a question of a choice between America and Japan, the argument that alliance with the Mikado's Empire rendered abortive any general plan for the reconstruction of China was not seriously listened to. Detaching England from Japan, which hitherto had been a fruitless policy, thus

becomes the major victory of contemporary American history. The long and involved story which commenced in London at the Imperial Conference of 1921, and terminated in February, 1922, at Washington with the completion of the new network of treaties centring round China, is so well known that it need not be repeated. But this story, which should have resulted in triumphs, has so far brought nothing at all. The explanation is simple. Money is the only point of contact between China and the world: money and monetary interests alone produce results. Had the United States grouped all matters primarily concerned with money, such as railways, currency and the tariff in one category, and, after a proper study, launched a sincere proposal she might have accomplished the impossible and brought a new era to China. By calling upon all the powers to surrender their commercial treaties in return for a definite new set of proposals, associating the Chinese state with foreign states on a new basis, she would certainly have forced all those who secretly oppose her into the open. Instead of

reserving for consideration behind closed doors questions, wrinkled with avenues of evasions, she should have used the open forum at Washington for settling publicly the means to induce the world's financiers to participate in large investments under the general guarantee of all the powers. Instead of trifling with the question of the tariff she should have induced China by the public offer of an adequate *quid pro quo* to abandon the system of provincial trade taxation which arose not because of the Taiping rebellion but because of the restrictions of the foreign treaties. The dilettantism which characterized the detailed consideration of these matters, is one of the reasons why many of the ills occurred in the summer of 1925.

§ 4

The American plan as it stands to-day is chiefly concerned with two things, the abolition of extraterritoriality and the adjustment of the tariff. The dozens of related questions are paid scant attention to, although they are

just as important to check the subversive spirit. A constantly proclaimed goodwill is of little avail: what is wanted is a constantly proclaimed determination to face the facts. If the United States could make her stand in China as clear as it has been in the case of Soviet Russia she would be assisting everybody's cause. In regard to the jurisdiction over foreigners in China, what has been proposed (and then left undone) has been commonplace. The international commission of jurists which was agreed upon should never have been postponed: provision should have been made for its despatch on a fixed date. We repeat: a great part of the uproar in China would never have arisen had an authoritative and respected body of men three years ago reported to the world a just summary of present-day conditions. Facts that are unanswerable do more good in a day when they become generally known than years of protestations. While much water has flowed under the bridges since the time when Chinese criminal law was as unique and as peculiar a thing as the Chinese state theory, the reforms which

have so far been accomplished, although noteworthy, depend for their completion on the organization of stable government, and the elimination of personal rule. The people who know China best are the Chinese and their attitude on the subject of their own courts is unmistakable. Here are some speaking facts:—

Chinese living in the treaty-ports have made it a practice, whenever advantageous, to register in foreign consulates. Certain consulates have grown wealthy through this business. The technical violation of extraterritoriality by Chinese, who obtain foreign protection through registration in foreign consulates, has had more to do recently with bringing the practice of extraterritoriality into disrepute than any other element. In Shanghai there are hundreds and possibly thousands of Chinese, many of them prominent merchants and professional men who pose as patriots and who have been very active in the movement against foreign rights, who are legally not Chinese. They are not Chinese from a legal standpoint because they have managed to get themselves registered as foreign subjects. It is difficult

to understand how a man born in China of Chinese parents, living and appearing as a Chinese, can still register himself as a foreigner. The daily sessions of the International Mixed Court in Shanghai see frequent examples of Chinese wearing Chinese clothes, speaking the Chinese language, and Chinese in every possible way, nevertheless getting up in court and swearing that they are foreign subjects. It has been stated and never authoritatively contradicted that that genial and well known diplomat, the late Dr. Wu Ting-fang, so many years Chinese Minister in Washington, was born in Hongkong and therefore a British subject, and was careful to the end of his days to renew his British registration whenever in China as a protection and guarantee in spite of having represented the Chinese government abroad for twenty years.

In all the circumstances, it can be reasonably enquired whether some notable gesture on the part of the United States, if she is really serious in her protestations, would not do a great deal towards appeasing the general

turmoil not only in China but in other Asiatic countries. If, for instance, America would offer herself up on the altar of progress and consent to a conditional abolition of extraterritoriality in her own case so as to allow other nations to watch the precise results of the experiment a definite proof would be afforded of exactly what was wrong in China and how to cure it. Abolition in the case of America would not work such hardships, or introduce such complications as in the case of England for three reasons:

1. America has no concessions or settlements in China.
2. America has no steamers engaged in the coasting trade.
3. America has a great many missionaries and educationalists who are anxious to divest themselves of a protection which they believe to be no longer necessary.

Furthermore, being far more articulate than Russians and Germans, the two principal nationalities who now live under Chinese laws, Americans would be in a position to re-

sist and advertise any injustices which might be put on them, and thus expedite a stabilization of the new order. It is noteworthy, as we have shown, that when Japan inaugurated treaty relations with China thirty years later than the other powers she was not at first guided by what others had done but established her own system of mixed jurisdiction which was neither a complete form of extraterritoriality nor a complete admission of the principle of judicial autonomy. In the case of the foreign abolition of extraterritoriality in Japan, after the failure of the attempts to introduce mixed courts whereby foreign judges would have seats on the Japanese bench, it was England who gave up her rights prior to other powers and irrespective of what they proposed to do. If there is really an honest belief in America that the present system in China is antiquated and prejudicial to international relations, nothing would be more dramatic or more convincing than an independent act on her part which would be a proof of her sincerity. That it might be accompanied by a very large exodus of Americans from China is to

be expected, since numbers of residents are as convinced as the British that while everything should be done to give modern China a chance to come into her own it would be an act of cruelty rather than of justice, and an invitation to disaster, to throw on immature institutions the burden of overwhelming responsibilities. In this matter, as in general matters it may, however, be suspected that conviction is not deep-seated enough to allow of independent action, and that American policy seeks the support of other nations because it is not self-confident enough to venture upon a speculative course.

That the line of least resistance may be followed as a first step and the same system followed as in Siam whereby those of Asiatic race, irrespective of their nationality come under native courts, has already been foreshadowed.

Chinese judges are the first to admit that the independence of the judiciary must be secured before there is placed on them such heavy burdens that the new judicial system will collapse and become universally discredited. It

should be clear from the narrative made in these pages that until the political, moral and financial conditions have been entirely altered it is impossible for Chinese courts, no matter what codes they may possess, to dispense the type of justice which Western nations have become accustomed to and insist upon. Excellent men as are many of the new Chinese judges, they cannot by any human means make their courts stronger than the armies which sweep round their gates: they dare not deal with injustices which have behind them a host of bayonets. In this matter there is little analogy between China and Japan. There was always in the Emperors of Japan a last court of appeal, the voice of authority which could redress by summary act the errors of the courts. In revolutionary China there is no such last tribunal, and any careful digest of all Russian and German cases since these two nations ceased to enjoy the rights of consular jurisdiction will prove that hasty action will only harm the cause of the Chinese people, and delay the growth of a system sufficiently strong to make respect for the law a living force.

The Chinese theory, in spite of all code-book progress, still remains that there is a sort of heavenly justice which allows a man a very long rope indeed but which, should he display a really sinful nature, ends by summarily strangling him, with or without the necessary process of law.

The tariff proposals have brought as much criticism as every other part of the American plan. What was agreed to in principle, and is only now being considered after a delay of four years, is a variant of the unratified Alcock Convention (British) of nearly fifty-five years ago whereby the main imports were to pay $7\frac{1}{2}$ per cent duty by a consolidation of the import and transit taxes. The vague references to *likin* show the same vague dread of the concrete, although it would have been simple at Washington to place the Mackay Treaty of 1902 (and the American and Japanese treaties of 1903) before every delegation for signature as a preliminary to every other act. Now that the Chinese Nationalist movement has set complete tariff autonomy in the foreground, it will be difficult to make acceptable

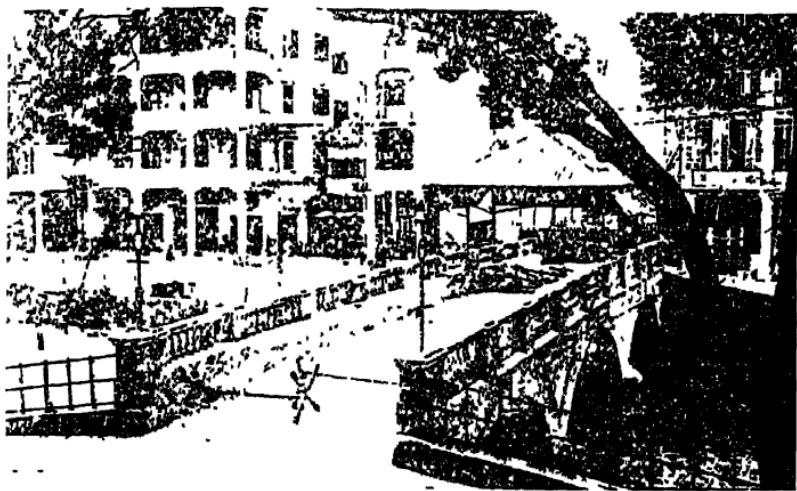
now what would have been so had it been embodied in general international agreements of a prior date. Correspondingly, timidity and no other reason has for thirty years prevented the greatest railway builders in the world from constructing a single railway line in China and induced them to endorse a pooling system which has stultified itself by long years of inaction. In the great struggle throughout the world to find markets it would have been thought that nothing would have been more eagerly seized upon than the opportunity to pour millions of tons of steel and railway equipment into a country that gives a higher net return per mile of track in spite of political chaos and bad management than in any other railway system in the world. The magnificent opportunities which await American engineers, if their financiers were not so governed by prudence, are indeed scattered thick on the ground. There is, for instance, the Szechwan railway from Hankow into the vast province of the south-west which is commonly reported to possess a population greater than the population of Germany. American investigators

have repeatedly pointed out that although Szechwan wheat sells for thirty cents a bushel where it is raised, it can no longer compete, by the time it has journeyed to the great markets of China, with American wheat because all facilities in the matter of communications are non-existent and the country is as isolated as Thibet. That the nation which could build railway systems across the Rockies with Chinese labour half a century ago, thus uniting the Atlantic and Pacific coasts, will not to-day risk money for 500 miles of track in China without international support is a poor compliment indeed to the genius of the race.

The following points are of particular interest in regard to the abolition of extraterritoriality and the power of Chinese courts:

(1) It is not necessary in a Chinese court for plaintiff or defendant to appear in person. Evidence can be given by the attorneys representing them.

(2) The Supreme Court is without police power to enforce its judgment. A case of appeal is decided by the Supreme Court only in the matter of law involved. After the matter of law has been decided the case is referred back to the Court of First Instance, and a petition is filed with that court asking for execution of the judgment. In one case in which an American company was plaintiff and secured the decision of the Supreme Court, which had overruled the finding of the first court of trial, the Court of First Instance refused



The English bridge at Shameen settlement, Canton, the scene of the clash between columns of demonstrators and Anglo-French naval forces



The Shaki creek and the Shameen Bund where the heaviest firing took place.



General Chang Haiso-liang, son of Marshal Chang Tso-lin, in command of an attacking corps at the Shanhakwan front.



A Chinese street in Hongkong where there is now a Chinese population of 700,000.

to issue an order of execution to carry out the decision of the Supreme Court.

(8) To show that the courts at the present time are powerless we have the instance of the widow of Hsiao Yin, a labour leader in Hankow, who was shot by order of General Hsiao Yao-nan of Hupeh. The widow attempted to bring a case at law for manslaughter in Peking but the courts stated that the laws of the Republic were not obeyed by Chinese militarists: therefore the court in Peking declined to accept the suit of the widow.

(4) In a recent case involving a Chinese and German claim the court instructed the reporter not to enter in the records of the case a certain statement of one of the witnesses on the grounds that the court did not believe him.

§ 5

The critical investigator will, however, have no difficulty in establishing that there is an American *real politik* in China, hidden if you like, but nevertheless conceived in the metropolis, metropolitan in its outlook, and directly connected with historical policy in regard to the Pacific Ocean as expressed in the settlement of Oregon and California: in the opening of Japan: in the Alaska Purchase: and in the acquisition of Hawaii and the Philippines. It is broad in its scope, being primarily concerned with a distant future, when the present rivalries shall have vanished and an immense

commerce will animate the waters of the Pacific. It has as its symbol just now that aerial demon, wireless telegraphy, a most valuable adjunct in peace and war. In the battle to secure the execution in its integrity of the Federal Telegraph Company's contract with the Chinese government for a giant world-station at Shanghai, with subsidiary stations at other strategic points in China, there is sounded a very different note from all the rest. Worked out in a room of the State Department by a great authority on communications, this radio plan to link up the Asiatic mainland with the Pacific coast is essential to American policy: for while it would be quite possible to select localities other than on Chinese soil, America will soon enough show China that she can do other things than smile if the present contest with Japan reaches a conclusion unfavourable to American aspirations, and the stations are never built.

That this same phenomenon of a discreetly hidden objective was present in the Burlingame Mission of half a century ago, when an American Minister resigned his commission,

and became overnight plenipotentiary for China in order to arrange for the introduction of Chinese labour into the United States to build the transcontinental railways, has long been known. It lends colour to the belief that material considerations weigh far more heavily than public pronouncements would lead one to suppose: and that in the end common sense will vindicate itself.

As a matter of record it should be noted that America has made a very remarkable and sensational advance in her statistical position in China of recent years, the relative increase of American trade being far greater than that of any other nation during the post decennium. Were her financiers not so timid she might easily ascend to the first rank and reduce even Japan to a subordinate position. The gross volume of American trade has risen from \$110 millions silver or 8 per cent of the whole China trade in 1913, to \$450 millions silver or 16 per cent in 1924. The trade of the whole British Empire with China is only about \$1000 millions silver, and if American interests would settle down to their task and build 10,000

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miles of Chinese railways, the present relative position might be reversed.

It will be interesting to watch whether the new conditions in China are reflected in the board-rooms of American banks.

CHAPTER IX

THE MEN WHO UNDERSTAND THAT THEY MUST NOT UNDERSTAND

§ 1

A French writer, in a remarkable phrase torn from him by an argument about India, declared that Britain's strength is impregnable because the British rank and file understand that they must not understand. Blind obedience to a settled policy, regarding which they decline to reason but which they blindly forward, may seem an exaggerated form of description to apply to British actions in China. Yet it can be said that this curious national characteristic has never been thrown into bolder relief than since the curious conflict of the summer of 1925 commenced. The British have been in an astonishing position which has embarrassed them deeply, not because they were afraid of a train of events which has been inevitable but because they were reduced

to impotence by international undertakings and by the difficulty of taking any action which would not be misinterpreted. The treaty-ports have assumed the aspect of beleaguered posts in a country given over to guerrilla warfare under the command of consuls, all of whom have stood their ground and done their duty not knowing from hour to hour whether ghastly excesses would not occur without warning. The Hymn of Hate intoned from morning to night from one end of the country to the other has been a little excessive and would have perhaps shaken the complacency of a nation less self-satisfied than the British. For a dispersed community, numbering not more than 30,000, including soldiers and sailors and the Colony of Hongkong, to find themselves the object of an hostility as subtle and insidious as poison, and venting itself in ways that seemed mean and unfair, has certainly been a trial. Sometimes it has appeared as if magic had wiped away a century of time, and that as in the days preceding the Treaty of Nanking a universal condemnation had reduced life to an embittering experience, each day bringing

forth something as unexpected as it has been resented.

The Chinese, no matter in what walk of life they may find themselves, being psychologists, able to assess the value of men even though they know nothing of their language or their thoughts, have recognized that the British would display qualities of resistance greater than all the others because theirs remains the dominant voice and the dominant interest in spite of the alleged international character of present-day undertakings. Thus does it happen that all those qualities which the Chinese most value and which have cemented Anglo-Chinese comity in the past—system, regularity, security, reliability—have gone for naught, the mad idea being publicly applauded that united effort should sweep away every relic of the past, and make any repetition of shooting incidents impossible by packing all foreign municipalities out of the country.

Yet the Chinese are not a short-sighted people, in spite of the apparent shallowness of their present attitude. They know that when other nations have become tired and have al-

lowed themselves to be talked into a change of plans they will still have to reckon with the problem of adjusting their aspirations with the abiding realities of the situation. The plain fact is that the British cannot be thrust out of China, nor can their position be fundamentally modified without weakening the whole modern Chinese structure which has been built up by methods destined to be fruitful and permanent because conceived in a larger spirit than the provincialism of the country permits. Although the Chinese press is constantly warning the nation not to be lulled into inattention and not to forget that British policy is merely engaged in gaining time so that when the period of bargaining commences cash rather than treaty modification will make the settlement, the plain fact is that the future is just as obscure to the one side as to the other. Had Britain been the malevolent power such as she is now pictured in the popular mind she would have insisted eighty years ago in holding the Yangtze mouth and every other strategic approach by sea: for the army was there to do the work and

there was no resistance. Twenty years after that it would have been possible for General Gordon, with his Ever-Victorious army, to have overthrown the Manchu dynasty and made China a British protectorate. Certainly if in 1840 she transported 10,000 infantry and a mass of artillery to China in sailing-ships and nearly 20,000 in 1860 on 140 transports, she would have little difficulty in moving 100,000 in the present times. And with 100,000 men combined with present facilities, all would be over much more quickly than ever before. But such things nowadays are never thought of, much less spoken about. In a country where all ills tend to cure themselves, the policy of stone-walling is apt to be more effective than the brilliance of Talleyrand. But at the present moment it cannot be denied that Britain in China suffers from the absence of any constructive plans, and that the present attitude is tending in the direction of a policy of drift. How long it will be possible to allow the present dreary situation to go on can only be a matter of conjecture; but certainly a decision should be taken either to face directly

and deal radically with the real evil, which is the existence in China of an extreme group who are officially allowed full scope for their activity, or to throw overboard all those things which can be best dispensed with.

There are only three places in China which give any lead to the nation—Peking, Shanghai and Canton. If you subtract what these cities stand for there is nothing in the country of political importance. It thus becomes a question of laying down an identic policy for these disturbing centres and of advancing it by all available means. The first step would seem to be to restore the importance of the official leadership in China: that is, to give that leadership what it enjoyed in the early days. Then diplomatic action was united with the conduct of affairs at Hongkong and with the general problem of China trade. Whether it is possible to institute a High Commissionership for China such as existed in the early days when the diplomatic representatives were Superintendents of Trade, charged with the fullest authority, and given a free hand, may seem doubtful: but those who see the tendency

towards irresolution become greater because the machinery has not been adapted to present-day needs, believe that only an appointee having behind him the entire strength and support of British resources in China and Hongkong can cope with the growing and many-sided problems which a vast country possesses and extract success from those problems. No people realize more quickly than the Chinese the difference between full powers and half powers. Someone with great world experience, who would not be tied to his desk but would be at liberty to travel freely and influence by personal contact the leading personalities of the Chinese political world could not only restore the old friendship but draw profit from the seething cauldron of nationalism. A high commissioner and plenipotentiary extraordinary, with residences at Peking, Shanghai and Hongkong would be a more influential monarch than even a restored Emperor; for he would be in touch with the real centres of power.

The new fortress, the new sanctuary is the foreign concession, which has taken the place

of the old walled city. Round this subject one of the most elaborate essays on a changing civilization could be written; for it is the walled cities more than the edicts of the Emperors which throughout the ages built up Chinese culture and power. Without these sanctuaries, which in the days before foreign arms had reached the Far East were virtually impregnable, Chinese culture would have twenty times perished in the anarchy which periodically burst out. The transference of power to the new centres has been automatic and unobserved in the course of decades, but it is none the less real. If any proof is needed it is supplied by the movement of specie and metallic currency which is now almost entirely based on these foreign-controlled areas far away from the interior cities, due to the growth of a new banking system completely divorced from the life of the old Imperial days and seeking a new companionship based on safety. To hand over these fortresses, which are the key to China's future prosperity, as an act of grace would be assisting no one excepting the men without breeches, the *sansculottes*.

Just as Marshal Saxe is reported to have said years ago as he drove through the streets of London "what a city to loot," so the homeless men as they wander through foreign concessions in China murmur the same thing.

The attack of the mob on the Hankow concession following upon the Shanghai tragedy of May 30th, was principally carried out to loot the Chinese banks which had gone under the protection of the foreign flag years ago to save their reserves from the raiding of Chinese military commanders. If the British could make themselves better acquainted with the changing usages and ideas of the Chinese, and make suitable changes themselves, it would not be assumed that they were bewildered and did not know how to take advantage of the fact that Chinese vested interests to-day as in years gone are necessarily allied to their interests, but are forced by mob intimidation to pretend the contrary. The cash nexus, important as it is, does not provide an adequate insurance in times of stress and peril: and with no recognized leadership nearer than London it is impossible to mobilize and unite the scattered

dominion. The organization of a new technique is a prime essential. Much of the hostility and suspicion which burst into a consuming fire could undoubtedly have been prevented had there been something in China corresponding to the leadership of Sir Henry Pottinger in 1842 or Lord Elgin in 1860.

The plain truth is that the action of foreign nations in China—and particularly the British,—is so governed by geographical considerations, which have been rendered antiquated that a good deal is lost before the battle can be commenced. To know what is likely to be the official action of Britain or the United States or France or Japan it is only necessary to consider what they are doing in territories acquired subsequent to the opening of China. These possessions make policy: for these possessions are nothing but a summary of national characteristics. A complete essay on the trend of American policy in China could be written from studying the Philippines: and Japan's policy of working forward step by step, entrenching herself as she goes, is so well exemplified in Korea and Manchuria that ab-

sorption is shown as the only policy which the genius of her people understands. It is England's weakness that her main interest is composed of imponderables such as free trade and a free market. There is no adequate symbol of the immensity of her effort except the smoke from her steamers forming rings on the horizon of every Eastern sea. The status and ambitions of Hongkong have remained unaltered since Lord Palmerston wrote in 1840 that "the British government was willing to accept as full satisfaction the cession of one or more islands on the coast."

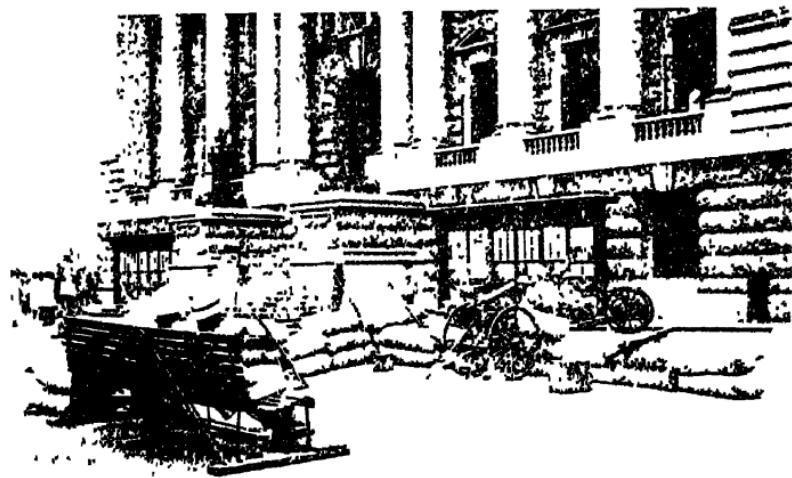
§ 2

Yet the general impression produced on the minds of all foreign observers, in spite of the advance of other nations and the lack of imaginative qualities shown by the oldest power, is that China remains essentially English. Although it is almost impossible to prove this predominance which statistically does not seem justified, it is not only apparent but steadily spreading. Fifteen years ago

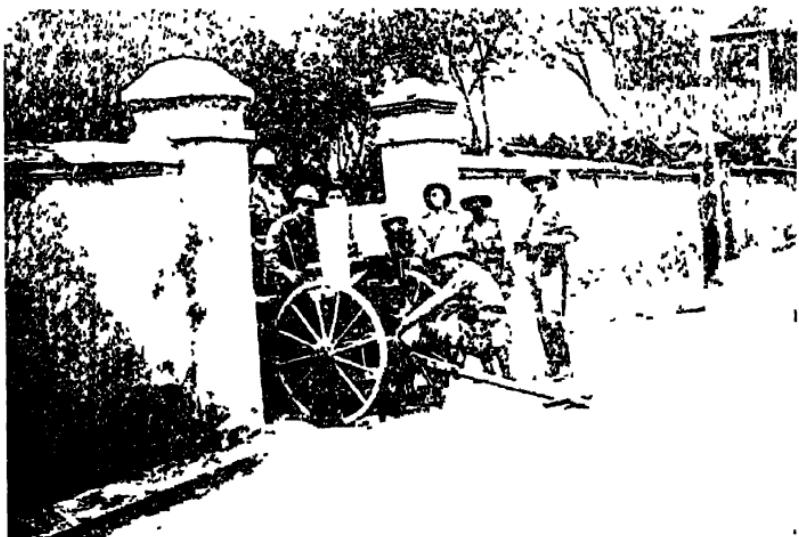
Manchuria seemed entirely Russian or Japanese and isolated from the rest of China in the type of foreign things dominating. To-day the English tide, irresistible because it flows everywhere when there are no artificial barriers, has so changed the position that English is the *lingua franca* and British companies are rapidly spreading their network. Were other nations so happily situated they would not have waited dumbly and done nothing to invent and develop agencies for counteracting the policy of revolutionary groups and of nations which are indulging in a barefaced attempt to destroy the work of past generations. The invisible war—this is what has to be fought to-day in China. Soviet Russia is no more a factor than industrial Japan, for the latter, from her very nature, is as much interested in the elimination of the old English influence and interests as the Communist party. Russia and Japan are the only peoples uniting official action with special departments which take care of the realities and prepare explosives to assist their cause; for just as many of the documents and demands of the



A street in the business section of Hongkong showing the stately buildings which have arisen.



British blue-jackets guarding the Customs House.



The British volunteers, who turned out in force at Hankow, made short work of the rioters, in company with sailors of British gun-boats.



A view of the barricades showing deserted appearance of the British Concession in Hankow after the mob had been fired upon, on June 11th. This is the spot where the firing actually took place after the mob had been held by a fire-hose for twenty minutes.

striking groups during the past period of conflict have been the work of Soviet agents, so have many of the promptings given to students' unions been Japanese, most notably the watch-word given to the central union by Japanese officers that "England never fights without allies and that the way to vanquish her is to isolate by concentrating on her solely the wrath of the nation."

It is mere folly not to recognize that in this war without arms which will continue to rage for years, a counter-offensive is needed, for the commercial stakes are very great and the efforts of a hundred years cannot be lost. No blame can attach to officials on the spot, for no organization and no funds have been given them to perform totally unexpected work. The invisible war, like the visible war, demands a special mobilization of men and machinery, a counter-agitation which with Britain's superior China resources will speedily win the ascendancy. It is necessary nowadays to interfere in every possible direction, to leave nothing to chance, to make the symbol of the element to be attacked the upas tree, which

according to the ancient fable, blighted everything that came near it. A new type of Clausewitz is wanted who will inculcate the doctrine of the restless offensive in this civilian campaign. In the case of the Christian general, Marshal Feng Yü-hsiang, who from his mountain fastness above Peking, without waiting for the facts, thundered against the British and encouraged the boycott week after week, had his thunder been met with the plain intimation that unless it ceased his rival, Marshal Chang Tso-lin, would receive the open aid and support of England, the effect would have been electrical for there is no people on earth who have made a more profound study than the Chinese of the policy of the jumping cat. But Great Britain has become careless. Kalgan, the mountain headquarters of a redoubtable force, does not even possess a British consulate, although American and Japanese consuls have been maintained there for years. Through such holes do malign influences creep.

The campaign of the Chinese press merits a similar riposte—not by diplomatic protest

but by methods which in the course of time would establish whether China's claims for the abolition of extraterritoriality are well founded or not. If a fund were provided for undertaking the prosecution for criminal libel of every Chinese newspaper that deliberately distorts facts, such a thorough testing of the value of Chinese courts would be made as would overshadow all visiting judicial commissions and destroy the striking power of revolutionary groups.

The difference between education and agitation conducted among grown men is not very great, and what is urgently needed is the official recognition that every possible weapon calculated to bring victory should henceforth be boldly used. There is to-day considerably over a million pounds sterling lying in the banks to the credit of the British Boxer indemnity fund, a sum twice as great as Soviet Russia has spent during the last quinquennium to forward her interests, and there is nearly half a million sterling more available annually for the next twenty years. That this £10,000,000 should be thrown away in schemes

of higher education which may result in the undermining of the British effort in China, instead of being used in schemes of lower education which will result in consolidation, is a stupid thing. This fund should be made into a battle-fund to assist all who believe in the Confucian Doctrine of the Mean, or Moderation. It would allow of the creation of a political education section to which numerous Chinese might be attached to defeat the intrigue now in movement. Energy and intelligence are required, for an ancient civilization is in process of being modified out of recognition; and those who wish to retain their profits must be prepared to spend from what they have already earned. It should not be lightly supposed that things will ever drop back naturally to where they were before, for that can never take place, and a wise policy is to look ahead and prepare positions in advance of the attack. Although the line still holds in China, it certainly requires reinforcing. Only when men show themselves too indolent to face changes because such changes seem to them unnecessary and ill advised, but which originate

from forces as relentless as the forces of nature, do they succumb. The action of the Nationalist party in declaring, or trying to declare, a universal boycott against Britain is the oldest war against foreigners the Chinese have ever waged. Stopping the trade in the pre-Treaty Canton factory days was the commonest phenomenon. Immediately any clash or opposition arose the official fiat went forth, and British Indiamen lay at anchors swinging idly with the tides until compromise or surrender raised the ban. The treaties have transferred this type of struggle to the shore—to the boundaries of treaty-ports: but it is more than strange that nothing should have been attempted to deal with the new evil. It could be countered in the same way as it was started by contract. By contract? Yes. For the number and names of the few people really involved are well known and by contract Chinese could have been found to deport and detain them for a stipulated period long enough to allow the ill to cure itself. Where is the England of Pitt, inquire the French and others who know Continental history? The English

were not so squeamish in those days, they say; and individuals who got in the way were speedily got out of the way. Did the citizens of Hongkong know their business as well as the governor has shown that he knows his, instead of telegraphing to an overburdened mother country to help them against Canton they would have helped themselves and despatched their idle shipping to fetch those who hate the Red element as much as they do.

Voltaire declared that "imagination is the madman in the house"; but the despatch of a few British steamers to North China in the summer of 1925 flying long pennants decorated with Chinese characters announcing them as "shipping contributed by British merchants to fetch loyal Chinese troops to expel the Communists from Canton" would have created such an enormous stir in China and won such a response that its effect would have lasted as long as General Gordon's campaign did against the Taipings.

There are too many men drawing large salaries to-day on the assumption that the day

of great efforts has passed, and that as long as they remain at their posts they have done all that can be expected of them. Sinecures have been multiplying, a relic of the fat times of the pre-war: a weeding-out is essential if we are to have more imaginative leadership. While many a small business shows the old vigour, the weakness in top-heavy concerns has become more and more marked. The class of men who sit waiting for somebody else to help them is an open danger in days when an attack is developing all along the line and is being smiled upon by other nations than the Chinese. The formula of the late Sir Robert Hart, who worked in harder times than these was "worry them, worry them every day of the week." He worried the opposition of extreme reactionaries of every kind out of his path, and built an enduring edifice by this method. Where have we nowadays in China —except in the organization of two or three great distributing businesses—anything like the persistence and resourcefulness of the early days?

§ 8

If there must be condemnation, then, it should be more for this lack of flexibility and imagination than for any other fault. Britain is too inclined in China to allow elements which could be turned to her advantage to lie untouched because she is waiting for conditions "to become normal" when they can never be so again. To advance the ideal of a strong and united China requires deliberate and consistent efforts in a new direction. In the past England has exploited to the very utmost a conception which was originally entirely hers, namely opening as many treaty-ports as possible, thereby establishing a maximum number of points of contact on coast and river so that her shipping could carry to the uttermost limits her doctrine of free trade. But at least half a generation ago this activity had gone as far as it was possible for it to go. Every navigable port had been made accessible to her flag and nothing was left to conquer excepting silt-laden anchorages which had been abandoned even by the native junks. Thereafter

it was only natural that railways should have succeeded as the principal lure. The progress in the period prior to the world war was good and satisfactory, and much had been planned which would have been executed had it not been for 1914. But for a dozen years this effort has been halted. The weak-kneed policy which has allowed a formula enforcing inactivity to be officially supported might have been abandoned long ago had there been more imagination and greater understanding of the perils of standing still. But government officials know little about banking or financing, or how the business of keeping alive commercially is worked out in counting-houses. They use their powers in a way calculated to produce pessimism and inaction, and they become attached from force of habit to certain policies because the face of those policies is familiar to them.

If we are to escape from the present vicious circle there must be an end to this paralysis without further delay. It has become essential to play a lone hand in China financially, only consenting to unite with Chinese and not with

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other nations who are well able to look after themselves and who certainly do not need support if they have any serious intentions of interesting themselves in the advancement of the country. The raising of the ban on foreign loans in the British money market by sanctioning independent China loans would prove excellent business. By continuing to accept the international formula for Chinese railways, a formula which aims at creating an international trust likely to be far more harmful to the Chinese people than extraterritoriality or a few municipal police laws, the British in China are digging their own grave and inviting an extension of the campaign against them into a new sphere, the railway sphere where there are increasing difficulties in maintaining foreigners on the government lines.

If we are to see a struggle for predominance between various sets of ideas, let it at least be secured that the struggle goes on along the line and is not limited to a few things which it is hardest to defend. By making the battle-front extend throughout the entire range of industrial, financial, commercial and moral

activities an advantage can be won and the belief cancelled that ground has already been irredeemably lost.

The chief argument used in favour of the international consortium of banks, that it restrains China from making unsecured loans, is pathetic at the present moment when the destruction of trade and capital values by political intimidation is a far more serious question than any other that can arise. If China has proved anything by the general strike, it is that foreign interests are in the hands of the Chinese people, and that the greater the number of so-called safeguards imposed by foreign governments the worse it is for them. Only by combining with Chinese can any guarantee of an enduring character be secured in the future. Credit in China can be counted on to look after itself as in other countries: the idea that it needs dry-nursing would occur to no one who has any knowledge of the money-market. During the period of the past five years we have seen that in spite of an international prohibition on any loans except those made by an official group hundreds of millions of dollars

have been advanced mainly in the form of American railway equipment; the result of international action is therefore to disturb the proper financing of manufactures and thus to harm credit. In 1917, when it seemed as if the Japanese system of making loans indiscriminately to the Peking government would bring a tragic end, it was no doubt wise for the American government to request American banking groups to enter the field and give financial support to a nation which had been persuaded to cast in its lot with the Allies largely through American arguments. But American bankers, using their privileged position in international finance, laid down as a *sine qua non* that all nations with unexecuted railway concessions must throw these into a common pool prior to their considering any accommodation. British holders were driven to accept this plan, although the British government did not fail to defend the position consistently taken up in China that industrial undertakings should be left outside the scope of cosmopolitan enterprise. This formula of combined action, although officially communi-

cated to the Chinese government at the beginning of the year 1920, and made binding on all the participants for a period of five years, has never led to any business except private and secret business and has been ruinous to railway construction. As the term of this stultifying arrangement is about to expire, it should be the duty of all statesmen to decline to allow it to be retained and to go back to those more workable arrangements which have given China the few railways she possesses. Incidentally the consortium constitutes a continued violation of the "unequal treaties," which destroyed and forbade monopolies, an interesting commentary on itself concerning the competence of those who have to face the present discontents.

§ 4

The principal business of the British is to secure that they will be in a more favourable position when new discords arise. Remembering that what Shanghai says to-day China says to-morrow, it is obvious that goodwill and plia-

bility in Shanghai are more necessary than elsewhere. The assumption that a definite type of civilization is being imported and implanted by foreigners, and that this service is so superior to any other that can be rendered to the Chinese people at this juncture, that all else is of minor importance, must not be allowed to acquire an odious character. The representation of Chinese on Municipal Councils, notably the Municipal Councils of Shanghai, although admitted in principle, is affected by the argument that entitled undoubtedly as Chinese are as large tax-payers to a large representation, in practice their presence would lead to a lowering of the standard since they could not rise superior to conditions which are natural in the country unless the machinery which is raising the level is kept out of their hands. We are faced by an apparent paradox, that what should be the aim and object of all government, the increase in the happiness of the people through wise and strict regulations, is interfered with by irresistible and just demands. Chinese educated abroad know these things, and a great part of their resent-

ment and unhappiness arises from the fact that they are impaled on the cruel spikes of inconsistency when they revert to native ways and cast aside what they have learnt in the foreign schools as they must do if they take their stand with the mass of their fellow countrymen.

In such an issue as the Shanghai Mixed Court, which since the Revolution of 1911 has become a quasi-municipal tribunal from whose judgments there is no appeal, even those who know nothing about law and the administration of justice dimly feel that rough and ready police-court justice by the crude method of associating Chinese judges with foreign assessors, sent to sit with them from the Consulates, may be a guarantee that the misdeeds and misdemeanours of a seething population numbering more than a million will be promptly and publicly punished but is too much of an anomaly to be allowed to remain. These things are commonplaces, but it is commonplaces that engage the attention of the multitude and stir them to rage.

It is in a wider and more general sphere, however, that there is a great opportunity.

Britain, who took the lead twenty years ago in agreeing to a very substantial increase in the import tariff from 5 per cent to 12½ per cent, provided that the other powers signed identic treaties and internal transit taxation (*likin*) was abolished, should now take the lead in securing that the taxation of imports and exports, no matter what else it does, secures monthly for the central government a sum sufficient to carry on the administration, which is \$2,600,000 a month. It is useless to talk about a strong and united China, or to be constantly making diplomatic representations to a central body that is deprived of the means of carrying on its daily work. The nation that is willing to sink its own troubles and think a little of China's troubles is the nation that will prosper. The nation that can also suggest the plan whereby one million men who are said to be in Chinese *likin* service can be given other employment is the nation that can modify Chinese taxation to suit its needs. If all lines of communication can be freed from taxation, and city octroi as in Peking substituted in the inland cities for *likin* the single Customs tax

may yet take the place of the multitude of petty taxes. A system which will make China one Customs Union is a system worth paying almost anything for.

From the days of ninety years ago when the Chinese monopoly merchants at Canton, called the Co-Hong, whose full number was thirteen, constituted the sole buffer between foreigners and the territorial officials, because they possessed the sole license of foreign trade and were responsible for the good conduct of all foreigners and the observance of arduous regulations which included iron restriction to the so-called factories, a vast revolution has been carried out. In place of the Canton factories, which covered a total space including gardens and promenades of only 1100 feet by 700 feet, and into which women might not be brought or for which servants could not be engaged except through the omnipotent Co-Hong, spacious foreign municipalities have arisen all over the country. Instead of being restricted to a narrow river, on which even rowing was prohibited excepting on the 8th, 18th, and 28th of each month under the escort

of an interpreter who was held responsible for misdeeds, foreigners can tour the country by steamer or train, and visit with amazement the decaying Portuguese trading settlement of Macao, where once the population was composed of two white women for every white man,—in honour of the traders and supercargoes of the Canton factories who were forced to live there out of the trading season. All these beneficent changes have come through war, not war over opium but war between two rival civilizations which demanded the extinction of valuable things because those things were the jewels on a doomed body.

But even though the old Chinese civilization be dead, the Chinese race lives on stronger than ever; and it is this strength which should now be gathered up and stimulated, particularly by the British, through friendly and chivalrous co-operation.

CHAPTER X

THE FINAL RECKONING

§ 1

The political conclusions which flow from this analysis are so many and so varied that it is not an easy thing to make a final summary. What, however, must be done is to insist in every possible way on the necessity of understanding that the crisis which has come is not a passing thing because it has been inspired from abroad: that on the contrary it is permanent and endemic. While China will never be a convert to Communism, since she cannot create, as Russians have done, a compact and homogeneous Pretorian guard of a million militant Communists, Canton has undoubtedly become a Communist "cell" and the citizens' armies, headed by the Christian general, Feng Yü-hsiang, are being impelled into a dangerous alliance with the same elements. It is by no means certain that the last act of the present

emotion will not be the capture of Canton, either by a northern Chinese force or by the exasperated Colony of Hongkong, together with a fiery and perhaps decisive drive on all his opponents by Marshal Chang Tso-lin. These things of themselves would, of course, not mean more than, on the one hand, the sponging out of a small group of irreconcilables who, having committed every form of governmental outrage, have been driven into the pocket of Soviet Russia because of their own inherent lack of unity and capacity for organization; and, on the other, a considerable elimination of half-trained troops and their leaders.

No matter, however, whether these things take place or not, the general Chinese problem will only yield to a long and patient treatment continued over years. While the eternal thing in China remains village life and the pursuit of agriculture, the treaty-port, the factory, the railway and the steamer are the abode of a new nationalism, which is the offspring of foreign contact and which will increase in intensity by arithmetical progression as foreign things in-



Field wireless in operation. Shanhankwan front.



Panoramic view of the Western face of the Legation quarter showing the Soviet Embassy in the center, the British Legation on the extreme left, where a party-wall divides the British barracks from the Red Army stables, and the American minister's house on the extreme right.



Marshal Tuan Chi-jui, made Provisional Chief Executive after the *coup d'état* of October 28th, 1924.



China's railway as a weapon in the Civil Wars: bringing back wounded men.

crease. The too intelligent organization of the material goods of this life has taken on the aspect of a frightful ogre for many Chinese when contrasted with the bucolic bliss of soft-flowing provincial existence: and until this glaring disparity—this conflict between two types of existence—disappears, China will be at the mercy of storms as violent as the dread typhoon.

For there is something proceeding very much like the struggle between superstition and civilization, between Judaism and Hellenism of twenty centuries ago. This Hellenism, this new stock of ideas which has become politically paramount, works with a vigour and solvent force which belongs to science and which makes all older ideas appear shrivelled and withered. No modification will come either from stubborn opposition, or from complete acquiescence to the maximum demands of the extremists. The only cure is the disillusionment which time brings. China is still devoted by instinct to the Doctrine of the Mean, which Confucius marked down 2,600 years ago as the normal Chinese type, because

moderation most accords with Chinese characteristics. It is this doctrine which should impel Western nations to reach a whole set of new conclusions in the domain of finance, of trade, and of judicial reform, so that it shall not be said that intolerance is the standard of their conduct. England's political instinct has not led her astray in securing as a commencement an international judicial enquiry into the causes of the Shanghai outbreak since a broad-minded investigation by judges who are above suspicion cannot fail to reveal a hundred important matters which are either half-buried or placed in a misleading light.

The problem to be resolved by these judges is a stupendous one. It is to establish how far the disappearance of an old civilization and the partial substitution of an alien culture has gone, and what measures are required during the present generation to foster the transition and soften the inevitable racial animosities which are not unnaturally increasing as education makes the contradictions and contrasts clearer, and the struggle for existence harder to bear. As the fair-minded reader cannot

fail to see, a great part of the present conflict has come because there has been insufficient contact between the various sections of the community, the old assumption that the Chinese are simply hewers of wood and carriers of water charging the foreign outlook with intolerance. Critical faculties become infallibly dulled by too long association with the same problems; and the strange complacency which has made men suppose that the Chinese do not react in the same way as other men has done as much harm as any active measures taken against them. The changed conditions demand the appointment of Western-educated Chinese as advisers in almost every department of official and private business to serve as guides and liaison-officers between the men of the population and those from abroad. Personal contact has far more importance in China than among white races who are content to accept a legal principle or undertaking as a guide. In China it is the personal factor which is supreme, conflict or co-operation being largely determined by whether that contact is absent or present. In every Chinese

group the possibilities for good or evil are much nearer the surface than in Western groups, as is inevitable in a race that remains close to nature and less artificial. They are indeed easily influenced, like women, by idle tales, the whole of China being consequently a seething cauldron of intrigue, their treatment of one another being infinitely worse than their treatment of foreigners. Everyone is forced to belong to a group for self-protection, and each leader, from the big leaders to the very small leaders, gathers around him his own clique, counting personal attachment his own guarantee. Everybody or almost everybody is in debt, because credit has always taken the place of cash, the agricultural settlement days being the only days when it is really necessary to produce hard money. This habit, extending itself into the new industrial system, is responsible for much of the unrest and unhappiness; and only Chinese, watching each group from day to day, are in a position to measure what the morrow will bring forth. If constant Chinese advice is taken, this by no means implies a surrender,

since the bulk of opinion is conservative and moderate and only lacks courage to make itself felt. It may be that it is difficult in the conflict between two types of will to know how to establish a just balance, but the number of things requiring adjustment is limited and does not offer difficulties half as great as the adjustment in Europe. What is to-day required is free trade in China; and to obtain this, trading nations should be prepared to pay almost any price since the enormous general development which it will bring will do much to banish the present glaring contrasts. A generally accepted commercial code would also mean the abrogation of extraterritoriality in a field it can safely be dispensed with. If fifty-six years ago England saw the necessity of agreeing to this reform in the unratified Alcock Convention, she will not be accused of undue haste by putting it in force now that there is a code ready. Similarly, it should be an easy matter for a universal set of regulations to be compiled which will do away with the necessity of foreigners having to restrain by rifle-fire the unruliness of treaty-port

crowds. The Chinese military and police authority is far better able to deal with its own people than any other; but unless there is a precise protocol, establishing a definite time-table (based on the distance to be covered) within the limits of which the local authority must provide help, there will be a constant repetition of disorders. The millions of China have a voice which does not reach us habitually because they do not raise it. Yet they have talked of all these matters among themselves for 80 years and more: and all there is in them has been discussed to the very dregs. It may no doubt seem ironical that a people who have been treated so brutally by their rulers and officials for ages past should declare to-day that it is a sense of injustice which has stirred them against foreigners. That brutal treatment was habitual even under one of their greatest monarchs, Chien Lung, is interestingly written upon by John Barrow, the private secretary to Lord Macartney, who journeyed through the country in 1798 and whose comment, after a lapse of 130 years, sounds

exactly as do comments written six months ago.

This is what he says in a passage of some importance to the future policy of the powers:

"... I have already had occasion to observe that the natural disposition of the Chinese should seem to have suffered almost a total change by the influence of the laws and maxims of government: an influence which, in this country more than elsewhere, has given a bias to the manners, sentiments and moral character of the people: for here every ancient proverb carries with it the force of a law. While they are by nature quiet, passive and timid, the state of society, and the abuse of the laws by which they are governed, have rendered them indifferent, unfeeling and even cruel, as a few examples, which among many others occurred, will but too clearly bear evidence: and as the particular instances, from which I have sometimes drawn an influence, accorded with the common actions and occurrences of life, I have not hesitated to consider them as so many general features in their moral character: at the same time I am aware that allowances ought to be made for particular ways of thinking, and for cus-

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toms entirely dissimilar from our own, which are, therefore, not exactly to be appreciated by the same rule as if they had occurred in our country. . . . Thus the Chinese are entitled to our indulgence by the peculiar circumstances under which they are placed, but I believe it in the breast of the reader to make what allowances he may think they deserve.

"In our return down the Pei-ho, the water being considerably shallower than when we first sailed up the river, one of our accommodation barges got aground in the middle of the night. The air was piercingly cold, and the poor creatures belonging to the vessel were busy until sunrise in the midst of the river using their endeavours to get her off. The rest of the fleet had proceeded, and the patience of the superintending officer at length being exhausted, he ordered his soldiers to flog the captain and the whole crew, which was accordingly done in a most unmerciful manner: and this was their only reward for the use of their yacht, their time and labour, for two days. The instance of degrading an officer and flogging all his people because the meat brought for our use was a little tainted when the temperature was at 88 in the shade, I have already had occasion to notice.

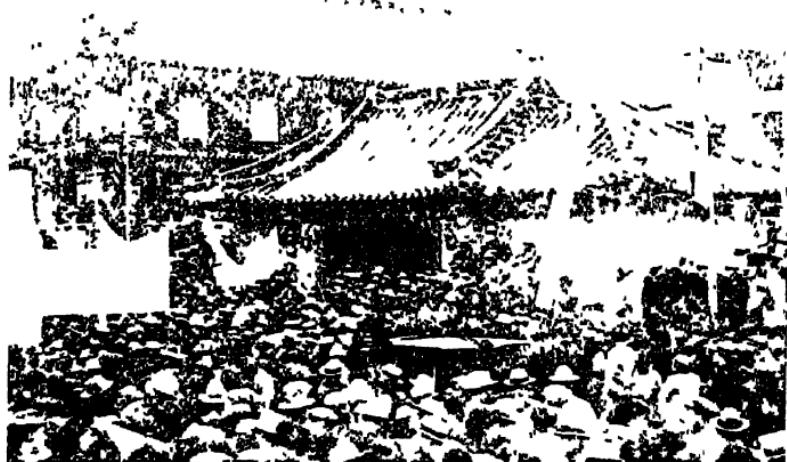
"Whenever the wind was contrary, or it was



The Panshan Lama, the second Pontiff of Lamaism, in Peking in 1925 invited by China in an effort to re-establish her ancient suzerainty over Tibet and Mongolia by utilizing the Tibetan church.



Wu Pei-fu (marked by an X) hastening back from the front when the news of the *coup d'état* in Peking reached him.



The death of the revolutionary leader Sun Yat-sen in 1925. Funeral scene outside the Rockefeller Hospital in Peking.



The Soviet Ambassador Karakhan, who was a chief mourner, gazing up as the casket was brought out.

found necessary to track the vessels against the stream, a number of men were employed for this purpose. The poor creatures were always pressed into this disagreeable and laborious service, for which they were to receive about sixpence a day, so long as they tracked, without any allowance being made to them for returning to the place from whence they were forced. These people, knowing the difficulty there was of getting others to supply their places, and that their services would be required until such should be procured, generally deserted by night, disregarding their pay. In order to procure others, the officers despatched their soldiers to the nearest village, taking the inhabitants by surprise, and forcing them out of their beds, to join the yachts. Scarcely a night occurred in which some poor wretches did not suffer the lashes of the soldiers for attempting to escape, or for pleading the excuse of old age or infirmity. It was painful to behold the deplorable condition of some of these creatures. Several were half naked and appeared to be wasting and languishing for want of food. Yet the task of dragging along the vessels was far from being light. Sometimes they were under the necessity of wading to the middle in mud: sometimes to swim across creeks, and immediately afterwards to

expose their bodies to a scorching sun: and they were always driven by a soldier, or the lictor of some petty officer, carrying in his hand an enormous whip with which he lashed them with as little reluctance as if they had been a team of horses."

Such, then, is the testimony of an impartial witness who as a complete stranger to the country sat week after week and month after month observing things under the most official conditions possible, i. e., as member of the suite of an ambassador who was royally received by a monarch who is accepted as one of the three greatest rulers China has ever known. If these were the ideal conditions of halcyon days foreigners have done little to make things worse.

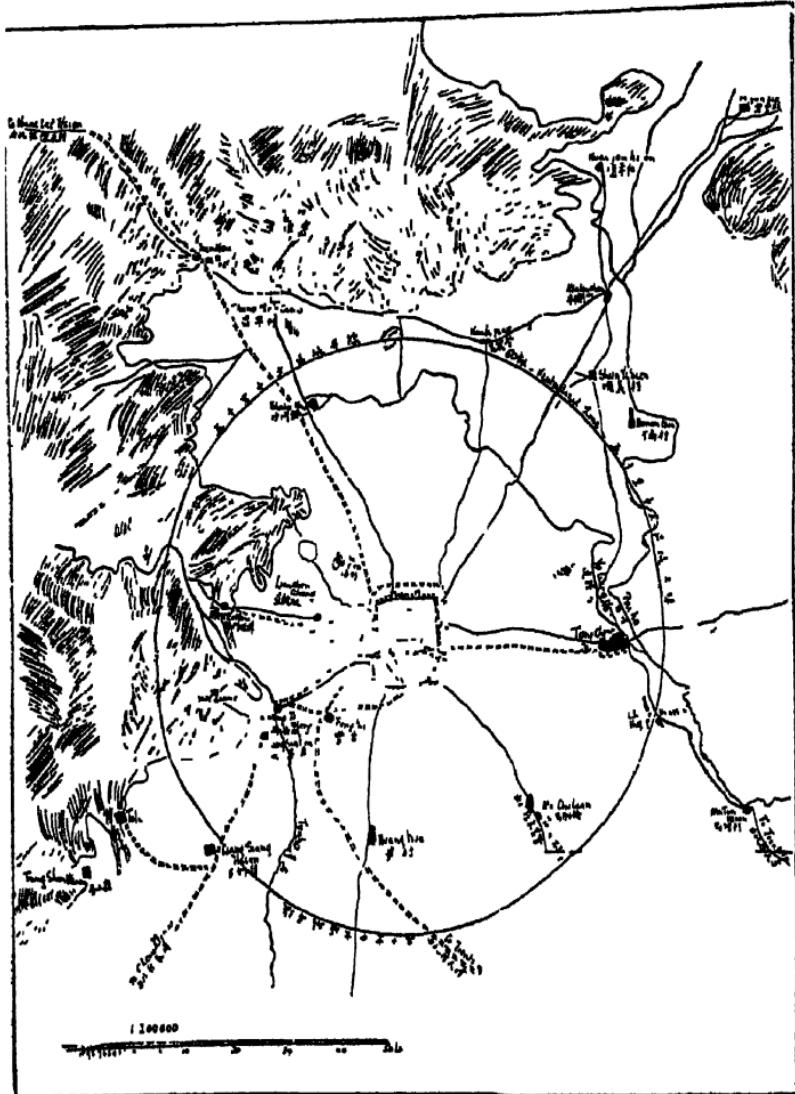
§ 2

There are admittedly various alternative policies to be followed in treating the present problem. Supporting some outstanding Chinese leader and making him take upon himself the common burden is the most tangible policy and one towards which practical

minds naturally incline. But an experience of this policy under Yuan Shih-kai was not satisfactory. Yuan Shih-kai merely used the support which was so lavishly accorded him to promote his own interests and to attempt to seize the throne. Under Wu Pei-fu's régime a half-hearted effort was made to revive the strong man idea: but what subsequently happened was so unexpected and so beyond belief, that it will not be readily attempted again. At any moment since May 30th it would have been possible, by affording Chang Tso-lin unlimited financial and military support, to arrest the present movement, which is odious to the older Chinese military party because trade union and student *pronunciamientos* destroy authority and render the old political game not worth the candle. France was not only anxious to forward the policy of the strong man as exemplified in the person of Chang Tso-lin, but took the necessary preliminary steps to introduce the idea diplomatically. The lack of active support from others was a wet blanket, and the matter was dropped.

A restoration of the Manchu dynasty,

strange as it may sound, has gained many new advocates, even among the so-called radicals and Socialists because they suspect Soviet Russia of having deadly plans, but how to bring about such a sensational change no one has yet explained. Fifteen years ago, when the revolt against the dynasty was still in the balance, Japan indeed proposed to Britain that aid and succour should be given in the same way that England had done during the Taiping rebellion with General Gordon and a fleet of war-vessels. But a deaf ear was turned to these proposals, and it is difficult not to believe that the time has passed when any such move could be crowned with success. In politics, however, the impossible and amazing thing often comes about overnight, and it is by no means hard to map out a course of events which in one year might logically end in the revival of the Empire. The only agency that will bring the Empire back is the radical Kwomin Tang party: for the failure and complete extinction of this revolutionary organization would leave a void which might possibly be filled by reintegrating conserva-



Outline map of Peking with a perimeter drawn round the city 50 li or 17 English miles from the center of the Winter Palace, showing the surrounding foothills and the mountain passes leading down to the plains. The Christian General made his *coup d'état* by a forced march down from the North-Eastern Pass—Kupeikou on the top righthand corner—and is now entrenched above the Nankow Pass—top lefthand corner.

tism.. Everything points to the fact that a desperate struggle round the issue is in preparation. At some not distant date open warfare between the parties will be substituted for the present methods of the secret society, and blood which has been brought to boiling point by anti-foreign propaganda will be lavishly spilt in defence of the vested interests of a half-a-dozen generals.

But meanwhile what of foreign nations that cannot afford to wait? Tears and prayers and protestations are not international factors. No matter what revision of the treaties is agreed to, nothing can arrest the internal struggle except agreement insisted upon by an overwhelming force. While 80 years ago it was possible to sign a convention such as that drawn up at the Bocca Tigris forts between the governor and commander-in-chief of the colony of Hongkong and the high commissioner of the Manchus, in which it was clearly stated that the local authorities being unable to coerce the people of the city of Canton into friendship with the people of Britain, everything must remain in a state of sus-

pended animation, to-day with the great web of interests which has since been woven and the stupendous stake in shipping, an identic policy is impossible. Everything points to measures of force and little to settlement by negotiation. Indeed in any estimate of the general policy of the powers in China, the possibility of the use of force cannot be overlooked. There would seem to be a good deal of misunderstanding on this issue. While no doubt international action would lead to as unsatisfactory a position as it did in 1900, owing to jealousies inevitable in a divided command, the action of a single power, amply supplied with steam-transport, could be made overwhelming in a very few weeks. It is calculated by experts that five divisions of troops, or a hundred thousand men, together with a flotilla of light craft, would bring about decisive results five times as fast in the wars of 1842 and 1860. The Yangtze River, splitting as it does the country into two equal halves, and offering a perfect line of communication with extreme Western China, makes the question of belligerency simple: for

the country can be divided into north and south commands with the reserves posted at the Yangtze mouth. The subsequent military problem would not be hard. It has been calculated that one European division could decisively defeat in one engagement Feng Yü-hsiang's army of 100,000 and render further fighting in North China unnecessary as Chang Tso-lin would certainly decline to enter the lists or be in any way associated with a resistance which he would recognize as futile. In Central China and South China nothing but bombardments and guerrilla warfare would be necessary. Canton could be captured by one battalion of European infantry, adequately supported by gun-boats, just as it was captured in the Arrow War 70 years ago by a single assault. Even the expenditure involved by such military operations would not offer difficulties. Assuming an outlay of £150,000 a day for two years bankers have calculated that this total of a hundred million sterling could be covered by the mortgage of the Chinese railway system, provided a further fifty millions were invested in extensions

and improvements, giving an additional trackage of 5,000 miles to the present 7,000. With the 12,000 miles of government lines which would then be available, a gross annual revenue of 450,000,000 of silver dollars or 55,000,-000 sterling could be counted upon which would leave a net revenue of 35 per cent of the total, say 17,500,000 sterling, an ample sum for interest and sinking fund on 200,000,-000 pounds. Thus military action, were it not for external factors, could be made actually profitable from the point of view of an arithmetical calculation. The jealousy of the powers and their deep-seated conviction that acquiescence in the independent policy of any one nation would lead to a diminishing of their own activity and a restriction of their commercial and political profit is, of course, the barrier. Although willing to accept leadership in trade matters their agreement in military and political action is a very different question. Thus sketches of such things are declared to belong to the dream-world and not to the world of practical politics. The vision of a China united and quieted by force

is held up as just as vain when it is a foreign dream as when it is Chinese: for the clock cannot be set back half a century, the moralists say; nor can the conditions of the sixties be made to live again.

§ 3

China's desire to be mistress in her own house is not only reasonable but should be hastened in every possible way. It is, however, far more a question of the house than the control of it: for the house is not yet built and is not likely to be completed if the process of substituting a foreign for a native civilization which has been going on since 1842, is suddenly arrested. Common sense will undoubtedly prove too strong in the end to allow China to be content with an unlovely mixture of two contradictory elements, when patience will win for her a true prosperity. Inefficiency is, however, growing. It is just now fitly illustrated in the railways, which although they could finance the armed conquest of China by a foreign Power, produce not more

than forty per cent of the revenue which should be theirs judged by the standard of what another Oriental people—the Japanese—have done with the South Manchuria Railway Company. The shortage on government lines is now estimated at 25,000 freight cars and 1,000 locomotives. There is no signalling in the modern sense of the word, instinct being considered sufficient to get trains safely home; while in the matter of using properly existing power, this has been impossible as pneumatic braking is likewise in its infancy, locomotives only hauling 30 per cent of their full load as otherwise trains could not be stopped.

The result of these deficiencies is that an annual maximum of 40,000,000 tons of goods is moved by rail and 60,000,000 tons are left standing or turned on to boats or carts, making the revenue \$120,000,000 instead of \$300,000,000 a year. But all does not end there. The receipts no longer reach the central government except in the form of book entries, the actual cash being retained by the generals through whose territory the railways run. So far has this gone that the central rail-

way administration in Peking was for a long period after the *coup d'état* paid for by the post office which provided monthly from its surplus \$100,000 in cash. And so overwhelming is the influence of the generals that only a few weeks prior to the writing of these sentences, after the Ministry of Communications had worked out a consolidation scheme for the whole of the foreign indebtedness of the Kalgan railways, a matter of \$35,000,000, the Christian general forbade it because it would interfere with his daily receipts.

Yet in spite of the fact that the Chinese have daily proved to them that they are powerless against one another, and that progress comes to an end if matters are left in their hands owing to unending jealousies and feuds, the policy is now being steadily pursued of substituting Chinese for foreigners wherever possible and thus reconciling the so-called nationalistic demands of the people with realities. Each such substitution brings a distinct deterioration. The reason is not far to seek. The tendency must be for any artificial effort to drop to the same level as the average standard unless it

is constantly reinforced from abroad. It has been calculated that the nervous energy of the educated Chinese is 0.24 of the white man: and that of the labourer 0.18. In an office it thus takes four Chinese to do the work of one foreigner, and in manual work five men. Even though Chinese wages be nominally low, Chinese labour, measured by output, is expensive and fast-rising, and so is the cost of Chinese administration. Add to this the necessity of appointing large numbers of superfluous people owing to the family system and it is not strange that every undertaking, official and private, is gradually eaten up by the hordes who feed on it. This is the explanation of China's lack of progress except at the treaty-ports. For while the Japanese have many of the same characteristics, in Japan there is a supreme authority, the Throne, constantly exercising a close scrutiny. The tendency towards anarchy among work-people, and the break-up of flourishing enterprises through defective management and lack of capital, is becoming so marked in China that it is a political portent of the first magnitude. The

fact that the number of Chinese-owned cotton mills in China has decreased by ten in a period of two years indicates the economic trend of the country. So far from being able to utilize the boycott of foreign mills to capture the market, all Chinese mills are so poorly financed that their greatest problem has been to provide themselves with capital for the purchase of raw cotton during a troubled period. The political and economic gains of four months' agitation appear, therefore, to be non-existent unless the damage done to the corner-stone of the country's economic life, which is foreign effort, is rated as gain. It is useless to pretend that forms possess value if the spirit is missing. And in China to-day, owing to a large variety of causes, not only is constructive effort at a very low ebb, but false teaching has created a destructive philosophy which will retard during long years the cause of the nation.

The realities of the present internal situation can no longer be ignored. Foreign nations can officially no longer pretend that the central government is all they need to consider or

that all will be well if new treaties are signed. It must be self-evident that unless they succeed in bringing the war-lords of China to the capital, they will never know the determination of the real masters of the country in regard to agitation and subversive acts. It should be equally evident that in the desperate and elaborate game which has been proceeding, Soviet Russia is by no means the only ominous factor. The elimination of England as the dominant power in China is as necessary to Imperial Japan as British elimination in Europe was necessary to Imperial Germany. Every Japanese move, every written or spoken word on the subject of the Chinese tariff, extraterritoriality, and foreign settlements during the next year must be carefully judged from this standpoint and no other. The explanation of events is not complete and cannot be complete without this element: for this is the razor-edge which is quietly slitting down the old allegiances and pretending that a new world has come.

Of the Chinese it can be finally said, as was said of the Israelites—that the children's teeth

are set on edge because the fathers have eaten sour grapes. The unparalleled and unique phenomenon in China of the decay of inland cities through civil war and the swift rise of great modern towns grouped round treaty-port settlements—towns towards which all the wealth of the country is flowing—means the transfer of power to places dominated by foreign influences and easily accessible to foreign navies. What the future of a country so placed is to be cannot be foretold by the wisest: for if all this has taken place in less than one generation, why should the next not be equally amazing?

APPENDIX A

Official correspondence between China and the Washington Conference Powers on the Shanghai shooting of May 30, giving China's thirteen demands and the Powers' reply thereto: together with the final collective note setting forth the procedure of the Judicial Inquiry laid down by the said Powers together with the names of the three designated Judges, British, American and Japanese.

China to the Powers—June 24, 1925.

MONSIEUR LE MINISTRE:

With reference to the shooting of Chinese by the police of the International Settlement of Shanghai I have the honour to state that the Chinese delegation at Shanghai presented thirteen points for discussion to the Diplomatic Commission which was sent by the Diplomatic Corps at Peking to study the situation on the spot. Unfortunately the case could not be settled there and it was decided to transfer the negotiations to Peking. I therefore beg to bring forward to the attention of Your Excellency the various points proposed by the Chinese delegation at Shanghai, as well as those questions in connection with the existing treaties the revision of which the Chinese government considers necessary. The thirteen points are as follows:—

1. Cancellation of State of Emergency.
2. Release of all Chinese arrested in connection with this affair and restoration to original state of all educational institutions in the International Settlement sealed and occupied (by the authorities).
3. Punishment of offenders, to be suspended pend-

ing investigation, and thereafter to be seriously dealt with.

4. Compensation for the dead and wounded and for the damage sustained by the laborers, merchants and students in connection with this affair.

5. Apology.

6. Rendition of Mixed Court.

7. All the employees of the foreigners, seamen and workers of mills or factories and others who have struck in sympathy shall be reinstated and their wages during the period of their strike shall not be deducted.

8. Better conditions for the laborers. Any laborer may work or not on his own accord and shall not be punishable for refusal to work.

9. Municipal Franchise.

(a) The Chinese may participate in the Municipal Council and ratepayers' meetings. The ratepayers' representation in the Council shall be in proportion to the amount of the rate payable and paid to the municipal revenue and the qualifications for franchise (of the Chinese) shall be similar to those of the foreigners.

(b) For the purpose of the franchise, distinction shall be made as to whether the property is privately owned or owned as agent for another person. The right of franchise shall be exercised by the private

owner of property, and where property is owned by an agent the actual owner of such property shall exercise the franchise.

10. Restraint to construct road beyond boundaries. The Shanghai Municipal Council shall not construct roads beyond the Settlement boundaries: those roads which are already so constructed shall be unconditionally turned over to the Chinese government.

11. Withdrawal of the resolutions concerning printed matter, increase of wharfage dues and licensing of exchanges.

12. All Chinese residents of the Settlement shall have liberty of speech, assembly and publication.

13. Dismissal of the Secretary of the Municipal Council, E. S. B. Rowe.

The above mentioned points are for the settlement of only the questions arising out of the Shanghai incident. In order to obtain a permanent basis for improving the good understanding between the Chinese and the foreign communities as well as maintaining a permanent peace, however, the Chinese government deems it absolutely necessary that the unequal treaties between China and Powers should be revised. The reasons for such revision have been fully set forth in a separate note and forwarded to Your Excellency to-day. I beg Your

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Excellency to be good enough to communicate the above to the Ministers of the interested Powers and hope that a conference thereon will be held speedily so that the case may be settled at an early date.

China to the Powers—June 24, 1925.

MONSIEUR LE MINISTRE:

With the object of further consolidating the friendly relations between China and the foreign Powers I have the honour to address Your Excellency on a subject which is essential to the promotion of that happy mutual understanding and goodwill upon which international friendship rests. During recent years there has been a steadily growing feeling, shared even by many foreign statesmen, that in justice to China as well as in the interest of all the parties concerned, there should be a readjustment of China's treaty relations with foreign Powers to bring them more in line with the generally accepted conceptions of international justice and equity and more in conformity with existing conditions in China.

It may be recalled that many of these treaties were not only concluded a long time ago but were negotiated under circumstances which hardly permitted the formulation, by full and free discussion,

of the principles which should permanently regulate the normal intercourse between China and the foreign Powers. But, while designed in the first instance largely to meet the exigencies of a particular time, these treaties have been allowed to remain in force to the present time, when the situation having been greatly changed, the further indefinite continuance of the extraordinary political and economic privileges and immunities therein conferred upon the foreigners seems to be hardly warranted by circumstances. Moreover, on account of restrictions imposed by these treaties there are mutual inconveniences and disadvantages which affect matters concerning China and the foreign powers.

So long as these inequalities and extraordinary privileges continue to exist there would always remain causes of disaffection which are apt to produce friction and disturb the cordial relations and good understanding between China and the foreign powers, such as, for instance, can be seen in the recent deplorable incident which took place in Shanghai.

At the time when China joined the Allied and Associated Powers in a war waged for upholding the sanctity of international law and the vindication of justice, the Chinese government was encouraged to hope for a definite improvement of her interna-

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tional status and was happily ensured by those powers that they would do all that rests with them to ensure that China would enjoy in her international relations the position and regard due to a great country.

Great therefore must be the disappointment to her people when after the Great War had been won and the common cause achieved, her own international status should remain unimproved and is, in some respects, even inferior to that of the defeated nations, for in none of them do we find the existence of extraterritorial courts, foreign concessions, leased territories and an externally imposed conventional tariff.

The Chinese government has therefore on repeated occasions approached the foreign powers concerned for a readjustment of her treaty relations. Questions for readjustment were submitted by China to the Paris Peace Conference which, while fully recognizing the importance of the questions raised, did not consider that they fall within the province of the Peace Conference. A similar effort was made by the Chinese government at the time of the Washington Conference, which though more disposed to consider China's requests, could not agree to effect any fundamental readjustment, so that, as far as substantial results are concerned, very little has yet been ac-

complished. More recently, in a note addressed jointly to the representatives in Peking of the signatory powers to the Washington Treaties and agreements shortly after the assumption of office by the Provisional Chief Executive the Chinese government again expressed the hope that the friendly powers would give sympathetic consideration to the well known aspirations of the Chinese people, submitted in recent years to different international conferences by the Chinese government, so that their relations may be further improved to their mutual advantage.

The Chinese government is firmly convinced that with all nations not only can their relations with China be made more cordial but their rights and interests can be better protected and more effectively advanced without rather than with the enjoyment of extraordinary privileges and immunities. I have the honour to request Your Excellency to be good enough to transmit the above to your government, in the confident hope that the government which Your Excellency has the honour to represent will be as much convinced as the Chinese government is that the readjustment of China's treaty relations on an equitable basis in satisfaction of the legitimate national aspirations of the Chinese people would do much to further consolidate her friendly relations with foreign powers and that your government will

also as fully appreciate the mutual advantages that would result from such a course of action and will, therefore, give an encouraging response to this proposal of the Chinese government.

Identical notes from the eight Washington Conference Powers expressing a common attitude toward the questions raised by the Chinese note of June 24.

The eight powers are Great Britain, Belgium, France, Italy, Japan, the Netherlands, Portugal and the United States.

Peking, September 4, 1925.

His Excellency,
M. Shen Jui-lin,

Minister For Foreign Affairs
Peking.

EXCELLENCY,

With reference to my Legation's Note (No. 1094) of June 26 last, I have the honour to inform Your Excellency that the important questions raised in your Note of June 24 have been carefully considered by the Government of the United States which has for some time been aware of the growing feeling in China in favour of a readjustment of Chinese treaty relations with the foreign powers.

It is believed that the Chinese government does not require to be reminded of the concrete evidence of this interest which has been made manifest on each occasion when a question of treaty revision has occupied the attention of the two countries. The United States is now prepared to consider the Chinese government's proposal for the modification of existing treaties in measure as the Chinese authorities demonstrate their willingness and ability to fulfil their obligations and to assume the protection of foreign rights and interests now safeguarded by the exceptional provisions of these treaties. It is because of a most earnest desire to meet the aspirations of the Chinese government that the government of the United States desires to impress upon the Chinese government the necessity of giving concrete evidence of its ability and willingness to enforce respect for the safety of foreign lives and property and to suppress disorders and anti-foreign agitations which embitter feeling and tend to create conditions unfavourable for the carrying on of negotiations in regard to the desires which the Chinese government has presented for the consideration of the treaty powers.

My government sympathizes with the feeling of the Chinese government that the tariff schedules attached to the various treaties between China and

other powers have become a severe handicap upon the ability of China to adjust its import tariffs to meet the domestic economic needs of the country. It must not be forgotten, however, that these tariffs were first inaugurated in 1842 and that they were a *modus operandi* originally devised to meet and remedy a condition which had been a fertile source of friction in the relations between China and the foreign powers due to the uncertainties connected with the rates and methods of levying the tariffs then existing. Schedules of those tariffs were seldom available for the information of the merchant, who was hampered in his business by the irregular, arbitrary, and varying methods in the assessment and the collection of the duties. It is the belief of my government that the conventional tariff was welcomed not alone by the powers but also by China as a diplomatic solution of what had proved to be a very vexatious question.

Since the conclusion, in 1902 and 1903, of the commercial treaties referred to in Article II of the treaty relating to the Chinese Customs Tariff, signed on February 6, 1922, my government has given particular attention to every evidence of effort on the part of the Chinese government in the direction of fiscal reforms which could be taken as an

assurance that the old causes of international friction need no longer be feared and that the conventional tariff could be abandoned.

It was at the time of the negotiation of those treaties that the Chinese government expressed a desire to reform its judiciary system and to bring it into accord with that of Western nations. The powers party to those treaties agreed to give every assistance to such reform and stated that they would be prepared to relinquish extraterritorial rights when satisfied that the state of the Chinese laws, the arrangements for their administration and other considerations warranted them in so doing. The powers have since then observed attentively each measure that the Chinese government, during the twenty-two years that have passed, has taken for the establishment of an independent judiciary and the enactment of laws for the administration of justice. The establishment of courts and the enactment of laws, however, do not in themselves meet all the requirements of the situation. Courts cannot function or develop properly or consistently without the aid of a stable government capable and willing to maintain them and enforce their findings and decisions. It is regretted that the inability of the Chinese government during the past few years

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fully to enforce the mandate of its authority has made it difficult for the courts and judiciary already established to function in a normal manner.

The question of conventional tariffs and of the extraterritorial rights under which nationals of the Treaty powers reside in China are two of the important questions raised by the Chinese government's note. Both received consideration at the Washington Conference, and it is the belief of the Government of the United States that the most feasible method for dealing with them is by a constant and scrupulous observance of the obligations undertaken at that Conference. To that end the Government of the United States is ready to appoint its delegates to the special Conference on Chinese tariff matters provided for in the treaty of February 6, 1922, and is furthermore willing either at that Conference or at a subsequent time to consider and discuss any reasonable proposal that may be made by the Chinese government for a revision of the treaties on the subject of the tariff.

Before it can form any opinion as to what, if any, steps can be taken to meet the desire of the Chinese Government in regard to the question of extraterritoriality and those special safeguards of the treaties under which its nationals live and conduct

their enterprises in China, my government desires to have before it more complete information than has heretofore been available: and the most feasible way in which the question can be approached and considered is to send to China the Commission provided for in Resolution V of the Washington Conference, in the expectation that the investigation made by that Commission will help to guide the Treaty Powers as to what, if any, steps should be taken as regards the relinquishment by gradual means or otherwise of extraterritorial rights at that time. My government is now ready to appoint its Commissioner to sit with the Commissioners of the other interested governments in accordance with that Resolution. It hopes that Commission may be able to begin at an early date its investigation into the existing conditions of the administration of justice in China and to make a report which will serve as a basis for the recommendations to be made in pursuance of the Resolution for the purpose of enabling the governments concerned to consider that, if any, steps may be taken with a view to the relinquishment of extraterritorial rights.

I avail myself of this opportunity to extend to Your Excellency the renewed assurance of my highest consideration.

Note from the Senior Minister of the Washington Conference Powers setting forth the collective decision to appoint a public judicial inquiry into the Shanghai incidents

September 15, 1925.

His Excellency,
M. Shen Jui-lin,
Minister for Foreign Affairs.

MONSIEUR LE MINISTRE:

As Your Excellency is aware, the foreign governments interested have come to the decision that the circumstances of the unfortunate incidents in Shanghai of May 30th should be definitely cleared up by a public judicial enquiry. They have, therefore, authorized their representatives in Peking to request their American, British and Japanese colleagues each to designate a jurist to be a member of a Commission of Enquiry.

I am now desired by my colleagues to inform Your Excellency that the Heads of the Missions concerned have taken this step and seize this opportunity to hand Your Excellency herewith a certified copy of the terms of reference for the above-mentioned Commission at the face of which the designations of its members are inscribed. The

Commission will meet as soon as its members can reach Shanghai.

As it is in the interest of all concerned that the findings of this Commission be as full and complete as possible, our respective governments think it highly desirable that a Chinese jurist should also be one of its members, and for that purpose I have the honour in the name of the Heads of the Mission concerned to express the hope that Your Excellency's government may see fit to appoint a Chinese jurist to sit on the Commission.

In conclusion I have to add that the Municipal Council of the International Settlement of Shanghai have bound themselves to abide by the findings of the Commission and that the Chief of Police of the said Settlement, Mr. McEuen, will be suspended, without prejudice until the completion of the enquiry.

Whilst expressing the hope that Your Excellency's government see their way to appoint a member of the Commission of Enquiry and in any case in the interest of justice and to facilitate the work of this Commission as far as possible to expedite the fulfilment of its task, I avail myself, etc.

(signed) W. J. OUDENDIJK
Minister for the Netherlands and
Senior Minister.

The enclosed copy of the commission whereby the three judges received their authority reads:

Ministers of the Decanat:

WHEREAS: certain disturbances occurred at Shanghai on or about May 30 last, in the course of which certain persons lost their lives and other persons suffered injuries, and considerable damage was done to property:

AND WHEREAS enquiries instituted by us have shown that it would be desirable that the matters referred to should form the subject of public judicial investigation:

NOW therefore, we, the Diplomatic Representatives at Peking of the American, Belgian, British, Danish, French, Italian, Japanese, Netherlands, Norwegian, Portuguese, Spanish and Swedish governments, do hereby request the American, British and Japanese representatives each to designate a Jurist to be a member of a Commission of Enquiry (which commission shall also include a Chinese jurist if such should be designated for the purpose by the Chinese Government) to investigate the origin and character of the disturbances which took place at Shanghai on or about May 30, 1925: the reasons, if any, that existed for anticipating disorder: the precautions that were or might have been adopted to prevent the same: the measures taken to suppress

it: and the circumstances in which certain persons lost their lives and other persons suffered injuries: and to report their findings.

The Commission shall have power to determine the procedure to be adopted for the purpose of the enquiry.

The sitting of the Commission, other than those held for the purpose of determining its procedure and of preparing its report, shall be held in public.

The Commission is authorized, so far as the different legal systems applicable may permit, to require the attendance of witnesses and the production of documents and to take evidence on oath.

The Commission may, at its discretion, permit any person or public body concerned with the subject matter of the enquiry to appear before it, either in person or by legal representatives, and call and cross-examine witnesses.

The findings of the Commission should, if possible, be unanimous.

The Netherlands Minister

(signed) W. J. OUDENDIJK

The Norwegian Minister

(signed) JOHAN MICHELET

The Italian Minister

(signed) V. CERRUTI

The Japanese Minister

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(signed) K. YOSHIZAWA

The Danish Minister

(signed) HENRIK DA KAUFFMANN

The Belgian Minister

(signed) LE MAIRE DE WHARZEE

The French Minister

(signed) D LE MARTEL

The Spanish Minister

(signed) GARRIDO V CISNEROS

The American Minister

(signed) J. V. A. McMURRAY

The Swedish Chargé d'Affaires

(signed) CARL LEIJONHUVUD

The British Chargé d'Affaires

(signed) MICHAEL PALAIRET

The Portuguese Chargé d'Affaires

(signed) L. FERNANDES

IN PURSUANCE of the request set forth above, we, the representatives of the American, British and Japanese governments, do hereby respectively designate:

His Honour E. Finley Johnson, Associate Justice of the Supreme Court of the Philippine Islands.

His Honour Sir Henry Cowper Gollan, C.B.E., K.C., Chief Justice of Hongkong, and

His Honour Kisaburo Suga, Chief Justice of the

art of Appeal at Hiroshima, to be members of the
d Commission.

(signed) J. V. A. McMURRAY

(signed) MICHAEL PALAIRET

(signed) K. YOSHIZAWA

ting, September 15, 1925

*Official Translation of Note from Chinese Govern-
ment to H. B. M. Legation requesting negotia-
tions without further delay on the
Shanghai incidents.*

September 21, 1925.

—
I have the honour to acknowledge receipt of your note of September 1st, 1925, informing the Chinese Government of the contents of a telegram received from His Britannic Majesty's Secretary of State for Foreign Affairs regarding his reply to the Chinese Chargé d'Affaires in London on the subject of a judicial inquiry into the Shanghai incidents of July 30th, last, and requesting it to reconsider its position thereon. In reply, I beg to state that Dr. Chu Chao-hsin had also reported to the same effect to my government.

The expression of deep concern at the loss of life, personal suffering and damage to property occasioned by the Shanghai incidents and the desire

that prompt impartial justice be done on the part of the British government is viewed with great importance by the Chinese government. In view of the gravity of the incidents, the Chinese government, immediately after their occurrence, lodged a formal protest with the Senior and Italian Minister, in a note of June 1, 1925.

Instead of devising proper means for readjustment at that time, the Authorities of the International Settlement at Shanghai declared a state of emergency therein which resulted in the subsequent shooting of many more innocent Chinese for the several days after June 1. The Chinese Government cannot but deeply regret that, apart from the large number of Chinese who were tried by judicial processes and found innocent, no steps appear to have been taken in dealing with the abuses of official power or the individual criminal responsibilities of the officials concerned of the International Settlement.

Not until June 12th, last, was a reply received from the Senior and Italian Minister, stating that you and the Ministers of the Powers concerned had decided upon the appointment of delegates to proceed to Shanghai to conduct an investigation into the case and to discuss the measures to be taken with the delegates of the Chinese Government on

the spot. That the said Delegates were vested with authority to settle the case was also verbally reported to the Chief Executive on June 14th by the Italian Minister in person, on behalf of yourself and the Ministers of the Powers concerned.

After having made an investigation at Shanghai, the said delegates began negotiations with the Chinese Delegates and admitted for discussion all the important terms submitted. From this, it is very evident that the said Delegates of the Diplomatic Body had at least the full authority to deal with those subjects having direct bearings upon the case. To say that the said Commission were not in a position to conduct a judicial inquiry seems rather contrary to the original understanding that they were vested with authority to deal with the case.

Since the transfer of the negotiations to Peking, this Ministry had submitted to the Senior and Italian Minister the terms proposed by the Chinese delegates at Shanghai in its Note of June 24th, last, and requested that negotiations be begun at once. Later, I again consulted with the Italian Minister, on several occasions as to the reasons for simultaneous discussions of all the terms submitted and the procedure of discussion, and have obtained his proper understanding. However, on account of your Government's proposing a judicial inquiry for reinvesti-

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gation, delay was caused and negotiations were not opened. It is therefore most evident that the Chinese Government was not in any way responsible for the failure of the preliminary negotiations as stated in your note.

It is not without reason to assert that there should be a public and impartial inquiry on judicial lines to establish the facts and provide a basis for appropriate action. But to attempt to apply such a procedure to the Shanghai incidents attention must be drawn to the fact that with the lapse of time most of the requisite evidences are now unobtainable and have disappeared.

Further, since the case had already been very carefully investigated into by the Chinese Government and the Diplomatic Delegates, its merits had already been well established. To propose to conduct a judicial inquiry of reinvestigation after the lapse of more than three months, would seem to ignore the above facts in their entirety and would, it is feared, only serve the purpose of complicating the issue.

In conclusion I beg leave to say that the Chinese Government is very anxious to have the Shanghai incidents settled with fairness and justice as stated by the British Government. But since the facts of the case had already been jointly investigated into

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by the Delegates of the Diplomatic Body and discussed in several Conferences, the appropriate action at the present juncture would be to utilize the findings of the said Delegates, together with the report of the Delegates of the Chinese Government, as a basis and start negotiations forthwith, with a view to securing an equitable solution at an early hour.

I have the honour to request that you will be good enough to communicate the above to His Britannic Majesty's Government and avail myself of this opportunity to renew to you my high consideration.

The following are translations of four notes which have been exchanged between Mr. Shen Jui-lin, the Chinese Foreign Minister and Mr. W. J. Oudendijk, the Senior Minister of the Interested Powers with regard to the Shanghai Affair of May 30th and the subsequent demands arising from it. The first note is from Mr. Shen Jui-lin to Mr. Oudendijk, dated September 30th, and is as follows:

"M. LE MINISTRE,

"In reply to the letter which Your Excellency was pleased to address me dated the 17th, instant, I have the honour to confirm that I am ready to discuss the Shanghai incident with the object of

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settling it as soon as possible in a just and equitable manner. I would, therefore, be grateful to Your Excellency if you would let me know your views and those of your colleagues, with the exception of the reserve which you made in the letter referred to.

"I avail myself, etc."

(signed) SHEN JUI-LIN.

The reply of Mr. Oudendijk, the Senior Minister to the Minister of Foreign Affairs, dated October 1st is as follows:—

"M. LE MINISTRE,

"I did not fail to bring the contents of Your Excellency's letter of September 30th, last, to the knowledge of the interested diplomatic representatives who, as Your Excellency knows, are animated no less sincerely than yourself with the desire of settling the unfortunate incidents of May 30th, at Shanghai, which they have never ceased to consider deeply regrettable.

"On their side, as on the side of the authorities of the International Settlement of Shanghai, everything in their power has been done to improve the situation, to calm the minds and to recreate an atmosphere of reciprocal confidence and to re-establish normal conditions.

"All military measures have been abolished, the naval detachments have been re-embarked, the volunteer corps has been demobilised and measures of security withdrawn.

"Subsequently, the persons arrested at the time of the said incidents were set at liberty some time ago. The schools which were closed or occupied were re-opened some time ago. The questions regarding responsibility for the unfortunate incidents which took place at Shanghai, and the consequences which are the result thereof, require profound study. The interested diplomatic representatives are therefore desirous to continue the exchange of views with Your Excellency on this subject and they invite your attention to the fact that the Chief of Police of the International Settlement will be suspended from his functions while awaiting the settlement of the question of responsibility.

"As to the position of the labourers at Shanghai, which has been advanced as being the fundamental cause of the events which took place, the interested diplomatic representatives are ready to contribute, as far as is in their power and to give to this end the necessary instructions to their Consuls, to facilitate the establishment of satisfactory relations between employers and employed, as soon as the Chinese government on its side gives similar instruc-

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tions to this end to the local Chinese authorities.

"On the other hand, the interested diplomatic representatives are aware of the fact that the rendition of the Mixed Court and the question of the representation of Chinese citizens on the Municipal Council of the International Settlement of Shanghai have been advanced by the Chinese community of that port. In this respect it is a pleasure to me to reiterate to Your Excellency that the above-mentioned diplomatic representatives are ready to conduct with you to a successful termination the negotiations concerning the rendition of the Mixed Court, which were begun some time ago, and that they are already seriously studying the most practical manner for obtaining the co-operation of the Chinese and foreign inhabitants in the work of the municipal administration of Shanghai. They will not fail to make known to our Excellency, with the least possible delay, the result of this study.

It remains for me to mention some wishes which have been expressed in Chinese circles with a view to improving the relations between the Chinese population of Shanghai and the administration of the International Settlement, notably the question of the construction of roads outside of the Settlement and the question concerning Press Regulations, Wharfage Dues and Stock Exchanges, and

that concerning freedom of speech, assembly and publications.

"As to the first question, the interested diplomatic representatives are of the opinion that the construction of these roads is undertaken exclusively in the public interest and such construction has been pursued during a number of years: they are, nevertheless, disposed to give instructions to the Consular Body at Shanghai with the object of reaching an understanding with the local Chinese authorities for a satisfactory and equitable solution of the question.

"Finally the regulations referred to above are only in a draft form and have neither been promulgated nor adopted. Whatever the circumstances, the interested diplomatic representatives will not fail to take into consideration, when their approval is solicited, the desires expressed by the Chinese government in order that they may conform to the principles of justice and equity. They are, however, ready to make the necessary recommendations to the Municipal Council in this respect.

"I avail myself, etc."

The reply of Mr. Shen Jui-lin to the above note from the Senior Minister is dated October 2nd and is as follows:

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“M. LE MINISTRE,

“I have the honour to receive the letter of the first of this month in which Your Excellency was pleased to make known to me the views of the interested diplomatic representatives in regard to the unfortunate Shanghai incidents.

“I hasten to inform Your Excellency that I will be happy to continue the discussion of the remaining questions, the question of responsibility with that of the consequences resulting therefrom and the question of the rendition of the Mixed Court and Chinese representation in the Municipal Council of the International Settlement, in order to bring about a successful termination within the shortest possible time, and I am ready to communicate to Your Excellency my proposals relative to the questions above indicated.

“I avail myself, etc.”

(signed) SHEN JUI-LIN.

Final note from the Waichiao Pu to the Senior Minister, dated October 2nd, concerning the proposed judicial enquiry into the Shanghai incident of May 30th, last:

“M. LE MINISTRE,

“I have the honour to acknowledge receipt of Your

Excellency's note of September 15th, last, informing me that the foreign governments interested have authorized their representatives at Peking to request their American, British and Japanese colleagues each to designate a jurist to be a member of a Commission of Enquiry into the circumstances of the incidents in Shanghai of May 30th, and, in sending me a certified copy of the terms of reference for the Commission, Your Excellency also expressed the desire that a Chinese jurist should also be one of its members.

"I beg to seize this opportunity to state that the British Chargé d'Affaires at Peking had, in a note of September 1st, last, transmitted to this Ministry telegraphic instructions from his government respecting their proposal for a Judicial Inquiry. In view of the lapse of time and changed circumstances whereby most of the requisite evidences had become unobtainable or had disappeared and moreover as the facts of the case had been carefully investigated at the beginning by Delegates on both sides, my government had informed Monsieur Palairat in reply that the application at the present juncture of such procedure would only serve the purpose of further complicating the issue.

"Your Excellency is no doubt aware that after the occurrence of the Shanghai incident my govern-

ment lodged a formal protest through the Italian and the then Senior Minister with the result that the diplomatic Representatives of the interested Powers decided to send delegates to Shanghai to investigate the incidents and empower them to discuss and settle the case with the Chinese delegates on the spot. Though the negotiations were brought to a suspense through the lack of authority on the part of the diplomatic delegates to settle the case as stated by them, yet no question arose in respect to the facts which had been investigated. When the case was transferred to Peking for settlement the then Senior Minister brought out five points as being suitable for discussion while consultations also took place on the various articles embodied in this Ministry's dispatch of June 24th, last, as they are within the scope of the case and admissible for discussion.

"Afterwards it was given out that the British government proposed to reinvestigate the case by judicial procedure, a proposal which the British Chargé d'Affaires at Peking also subsequently mentioned. Consequently my government instructed by telegraph their Chargé d'Affaires at London to inform the British government that as the facts of the Shanghai case had already been investigated conjointly by the diplomatic delegates who also had several discussions with the Chinese delegates, the

reinvestigation suggested was unnecessary and would only involve a waste of time: a view I also made known on several occasions to the representatives at Peking of the interested Powers.

APPENDIX B

Digest of all properly-authenticated cases of the killing or wounding of Chinese by foreigners coming by sea prior to the first British Treaty of 1842, extracted from Volume I of H. B. Morse's "The International Relations of the Chinese Empire": together with the sentences of Chinese Courts arising from which came the necessity of imposing extraterritoriality.

The first case at Whampoa occurred in 1689 on the *Defence*, the first of the East India Company's ships permitted to enter into the trade of the port. A Chinese having been killed by the crew, some of the latter were cut down, and the surgeon mortally wounded. The officials demanded Taels 5,000 damages from the ship: a composition of Taels 2,000 was offered "which being refused, the ship left Canton."

In 1721 the accidental death of an officer of the *Hoppo* at Whampoa caused the arrest at Canton of two mates and four others from the *Cadogan*. This was an ordinary attempt at extortion, based on the same principles as those leading the enemy of any Chinese to commit suicide on his doorstep: and representations by the supercargoes caused the release of the prisoners and the cashiering of the officers making the arrest.

In 1722 the gunner's mate of the *King George*, while out shooting birds, accidentally wounded a boy mortally: compensation was paid amounting to Taels 2,000, "of which the parents had 350." This settlement, perfectly legal by Chinese law, though far more exorbitant than the law required,

did not quite settle the matter, and the clearance of the ship was withheld for a time.

In 1754 there were constant quarrels between the English and French seamen at Whampoa, and in one affray an Englishman was killed by a Frenchman. An inquest was held by the Chinese authorities, and the viceroy, on the demand of the English for justice, stopped the French trade until the man guilty of the murder was surrendered. He was released in the following year by order of the emperor, on the occasion of a general act of grace.

In 1773, at Macao, a Chinese lost his life, and an Englishman, Francis Scott, was charged with the homicide. He was arrested and tried by the Portuguese courts, which completely exonerated him. The Chinese, however, demanded his surrender to them for trial: and, after some discussion, and resistance, the Portuguese authorities ultimately yielded, under the provisions of Art. V of the convention of 1749. The Chinese retried him and executed him.

In 1780 a French seaman belonging to a country ship, the *Success*, in self-defence killed a Portuguese sailor of the company's ship *Stormont*. The criminal took refuge at the French consul's, where he remained many days, but was at length given up by the Chinese, and was strangled publicly by order

of the Governor of the Province. The chronicler adds: "This was the first instance of an European being executed for the murder of another in China, and was considered to form a dangerous precedent." It must be observed, however, that strangulation was, in Chinese criminal procedure, a mitigation of the extreme penalty of decapitation.

In November, 1784, a gun fired from the country ship *Lady Hughes* while saluting, caused the death of a Chinese. The authorities demanded for surrender for trial the man who had fired the gun, but were informed that it could not be definitely ascertained who the man was. The supercargo of the ship was then arrested and carried into the city, where he was well treated, but was held responsible for what had occurred on his own ship: and there were indications of an intention to arrest the president of the company's committee, if the arrest of the ship's supercargo did not produce the result aimed at. The merchants of all nationalities, English, French, Dutch, Danish and American, took concerted action in ordering up boats from all the ships, manned and armed, to protect the factories. In the end, to procure the release of the supercargo, the gunner was surrendered to the Chinese. There is no record of the nature of the trial accorded to him, and he was strangled on January 8th, 1785, under orders

from Peking. Considering the dates, the orders must have been sent in reply to the first reports on the occurrence, and not after any trial of the gunner. A competent authority has stated that "the Chinese were, in fact, frightened at their own boldness, and a little resolution on the other side might have saved the man's life."

In 1800 H.M.S. *Madras* sent H.M. Schooner *Providence* up from Lintin to Whampoa. While the schooner was there, the officer of the watch, having hailed a boat which had been at the bows for some time in the night, and receiving no answer, fired into her, under a conviction that she was attempting to cut the schooner's cable. One Chinese in the boat was wounded, and another fell overboard and, it was supposed, was drowned. The man who fired the shot was kept in custody on board: and the Chinese authorities demanded his surrender for trial. The captain of the *Madras* admitted the wounding, in order to clear the company's ships, but refused to surrender the man for trial unless he himself was present, and made counter-charges of attempted theft similar to other previous attempts. The wounded man recovered, and the Chinese admitted that the man who was drowned had thrown himself overboard: and the matter was dropped.

In 1807 some sailors of the *Neptune* were on shore

leave at Canton, and, indulging in the vile spirits retailed to them, became involved in a disturbance. The men were got back into the factories: but the Chinese, having followed them in great numbers, the disturbance continued throughout the whole day, notwithstanding the efforts of the Chinese officials and the security merchants to disperse the mob. Ultimately, at the close of the day, the sailors escaped from their officers, rushed out to renew the fight, and, though they were soon brought back, they wounded several Chinese, one of whom died three days later. The relations of the deceased did not try the impossible task of fastening the blame on any one person: but the officials, collating time and place, fixed it on the men from the *Neptune*, and called upon the select committee to discover the man who had struck the blow, and to deliver him up for trial. Twice were investigations conducted on board the *Neptune*: but the Chinese themselves could offer no evidence incriminating any one person, though the ship's security merchant had offered a reward of \$20,000 for the detection of the culprit, and the select committee were compelled to report their inability to point out the guilty person. Trade by the English ships was meantime stopped. Ultimately an investigation, at which English officers were present, was conducted by the Chinese magistrate: and

his decision was that one of the sailors, Edward Sheen, should be detained in the English factory as being selected to be guilty of accidental homicide. The rest of the fifty-two men on the *Neptune* were accordingly acquitted, and trade was resumed after two months' stoppage. In the next year Sheen was released from detention, under orders from Peking, on payment of the fine of Taels 12.42 (about £4), prescribed by Chinese law for purely accidental killing.

In 1810 the death of a Chinese was said to have been caused by an English sailor: but no proof was adduced of the fact, or even to identify the ship, though it was declared to be the *Royal George*. Clearance was refused to the English ships, as a matter of course, but was ultimately granted upon condition that the culprit, when discovered, should be punished in accordance with the laws of England.

In 1820 a Chinese was accidentally shot in a boat at Whampoa, but by whom could not be ascertained. While the investigation was proceeding, a butcher on the ship's company *Duke of York* killed himself in a fit of insanity, and the Chinese were allowed to believe that he was the culprit. A subsequent attempt by the family of the deceased to throw doubt on the settlement was severely dealt with by the authorities.

In 1821 the ship *Lady Melville* was involved in events leading to the death of a woman. The case was settled by pecuniary inducements to the relations of the deceased not to lodge a complaint with the officials.

On September 23rd of the same year (1821) occurred the case of the sailor Terranova, Italian by birth, serving on the American ship *Emily* at Whampoa. He dropped or threw an earthen jar which was declared to have struck the head of a woman in a boat, and caused her to fall overboard. His surrender was demanded, and was refused, whereupon the American trade was stopped. Then it was agreed that he should be tried on board. The trial was conducted by the Punyu Hien, who heard the evidence for the prosecution, and refused to allow that evidence to be interpreted, refused to allow testimony or argument for the defence, and adjudged the accused guilty. After this mockery of a trial and farce of a judicial decision, he was then put in irons by the ship's officers, but not yet surrendered. The trade was still stopped, and American merchants and shipping annoyed: and after another week he was surrendered to take a second trial in the city. No one not Chinese was present at this trial, and he was again adjudged guilty and executed by strangulation within twenty-four hours.

His body was then returned to the *Emily*, and American trade reopened.

On December 15th, 1821, an unarmed party from H.M.S. *Topaze*, then at the Lintin anchorage, was landed on Lintin Island for water and washing clothes, and, while thus engaged, was attacked by the Chinese of the island, armed with spears and bamboos. The officer in command on board the frigate sent a party of marines, armed, to cover the retreat of the watering party, and fired several rounds from the big guns at the neighbouring village, to keep it in check. Of the English seamen, fourteen were wounded, some of them severely; while, of the Chinese, two were reported to have been killed and four wounded. Captain Richardson, of the *Topaze*, wrote to the viceroy, asking that the disturbers of the peace be punished: but, when asked to send the wounded sailors on shore to be examined, he refused, and, while assenting to the visit of the Chinese official on board, declared that he could not suffer any official investigation on board a king's ship. The company's select committee was then informed that the viceroy would hold the English taipan responsible, and that English trade would be stopped, if the seamen were not sent on shore, or if the *Topaze* departed before the affair was settled: it was further intimated that it was expected that two men should

be surrendered, being one for each of the Chinese lives lost. The *Topaze* having moved from Lintin to Macao, the committee was informed that the responsibility now lay with the taipan: and the answer was returned that the committee had now powers of control over ships of war, and that the viceroy should communicate direct with Captain Richardson. It was then decided that the English should withdraw: and on January 11th, the flag at Canton was hauled down, and the fleet of English ships moved down to the second bar anchorage, just inside the Bogue. The viceroy thereupon, on the 13th, declared that this step convinced him that the committee could exercise no control over a national ship, and that the taipan was, therefore, absolved from responsibility, but that the trade could not be re-opened until the men were delivered up. Captain Richardson now proposed that, on his return to England, a trial should be held there in accordance with English law: this the viceroy rejected. The captain then announced, on January 29th, that his intention was to sail for England on February 8th, which he did, after having, on the 4th, received the Chinese officials unofficially on his ship. Various attempts were made to induce the committee to agree to a compromise based on declarations at variance with the facts: and ultimately, on February 28th, the trade

was reopened and the committee absolved from responsibility.

In 1824 a boat alongside the company's ship *Earl of Balcarres* having been warned to leave, but paying no attention, a midshipman threw a billet of wood on the covering. A dying man was placed in the boat, and it was charged that he had been killed by the billet: compensation of \$3,000 was claimed, subsequently reduced to \$300. The ship's surgeon examined the body and certified that the man died from disease, and showed no signs of having been struck. The committee reported the matter to the viceroy, but no further steps were taken.

In 1833 a Chinese was killed in an affray at Kumsingmoon, and a lascar at Macao, though innocent, was induced to declare himself the murderer, and was conveyed surreptitiously to Canton. The select committee intervened in the interest of justice and fair play, and, after an exchange of letters, succeeded in obtaining an assurance from the viceroy that the affair "assuredly will not lead to the forfeiture of life." The man was subsequently released.

APPENDIX C

The statistical position of the Treaty powers in shipping and in the import and export trade of China in comparative tables for the pre-war year (1913) and 1924.

SHIPPING: TONNAGE OF VESSELS ENGAGED IN THE CARRYING TRADE
 FROM AND TO FOREIGN COUNTRIES AND BETWEEN THE
 OPEN PORTS

Percentage contributed by Principal Flags,
 1913 and 1924

	<i>1913</i>	<i>Tons</i>	<i>%</i>
American	898,750	0.96	
British	88,120,300	40.84	
Chinese	19,903,944	21.33	
French	1,232,763	1.32	
German	6,920,466	6.77	
Japanese	23,422,487	25.10	
Russian	1,687,796	1.81	
Other Flags	1,748,830	1.87	
<hr/>			
Total	<u>93,334,830</u>		
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	<i>1924</i>	
American	6,359,589	4.50
British	55,715,925	39.39
Chinese	33,288,363	23.54
Dutch	1,799,828	1.27
French	2,185,806	1.55
German	2,085,968	1.47
Japanese	34,759,884	24.58
Norwegian	2,079,533	1.47
Other Flags	3,157,931	2.23
<hr/>		
Total	<u>141,432,827</u>	
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CHINA'S FOREIGN TRADE: PERCENTAGE CONTRIBUTED BY PRINCIPAL COUNTRIES, 1913 AND 1924

Destination of Direct Exports

<i>1913</i>	<i>H.K.T's.</i>	<i>%</i>
France	40,749,782	10.10
Germany	17,023,224	4.22
Great Britain	16,316,413	4.05
Hongkong	117,128,681	29.04
Italy	8,318,038	2.06
Japan (including Formosa)	65,514,186	16.25
Korea	6,812,968	1.69
Netherlands	8,692,465	2.16
Russia & Siberia	44,921,437	11.14
Singapore, Straits, etc.	7,552,710	1.87
United States	37,650,301	9.34
Other Countries	32,563,361	8.04
Total	403,305,516	-

1924

British India	11,436,232	1.48
Dutch Indies	9,316,901	1.21
France	45,096,158	5.84
Germany	15,949,007	2.07
Great Britain	50,250,851	6.51
Hongkong	173,162,926	22.44
Italy	8,918,189	1.16
Japan (including Formosa)	201,173,926	26.07
Korea	30,455,244	4.00
Netherlands	13,500,448	1.73
Russia & Siberia	46,339,442	6.01
Singapore, Straits, etc.	19,617,212	2.51
Turkey, Persia, Egypt, etc.	18,536,431	2.40
United States	100,754,111	13.05
Other Countries	26,803,210	3.47
Total	771,781,468	-

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CHINA'S FOREIGN TRADE: PERCENTAGE CONTRIBUTED BY PRINCIPAL COUNTRIES, 1913 AND 1924

Provenance of Direct Imports (Gross)

<i>1913</i>	<i>H.K.Tls.</i>	<i>%</i>
Belgium	15,830,838	2.70
British India	48,292,190	8.24
Dutch Indies	6,836,792	1.17
Germany	28,802,403	4.83
Great Britain	96,910,944	16.58
Hongkong	171,636,099	29.27
Japan (including Formosa)	119,346,662	20.36
Macao	6,596,148	1.12
Russia & Siberia	22,152,888	3.78
Singapore, Straits, etc.	8,935,416	1.52
United States of America	35,427,198	6.04
Other Countries	26,022,853	4.44
 Total	586,290,431	

1924

Belgium	18,278,315	1.76
British India	38,827,688	3.74
Canada	15,575,722	1.50
Dutch Indies	20,732,947	1.99
France	10,560,018	1.02
French Indo-China	10,183,971	0.98
Germany	38,687,635	3.72
Great Britain	126,011,025	12.13
Hongkong	243,919,857	23.47
Japan (including Formosa)	284,761,863	22.59
Korea	11,505,586	1.11
Netherlands	20,459,876	1.97
Russia & Siberia	10,098,538	0.97
United States	190,956,942	18.38
Other Countries	48,542,673	4.67
 Total	1,039,102,156	